

IMPACT OF CORPORATE GOVERNANCE ON FIRMS REPUTATION

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Management in partial fulfillment of the requirements for the Master's Degree

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “Impact of Corporate Governance on Firm’s Reputation”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work was acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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REPORT OF RESEARCH COMMITTEE

Ms. Nirmala Regmee has defended research proposal entitled “**Impact of Corporate Governance on Firm’s Reputation**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidelines of supervisor Keshav Chand and Dr. Dipak Mahat and submit the thesis for evaluation and viva-voce examination.

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ABBREVIATIONS

ACC	Accountability
DIS	Discipline
FAR	Fairness
IND	Independence
RES	Responsibility
S.D.	Standard deviation
SA	Social Awareness
SPSS	Statistical Package for Social Sciences
TRS	Transparency

ABSTRACT

The impact between corporate governance and a firm's reputation is profound and intricate. Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It encompasses the relationships among stakeholders, including shareholders, management, board members, employees, customers, suppliers, and the community at large.

The major objective of the study is to find out the impact of corporate governance on firm's reputation. To some extent, the specific of the studies are to examine the relationship of corporate governance on firm's reputation, to assess the impact of discipline, transparency, independence, accountability, responsibility, fairness and social awareness on firm's reputation and to examine the relationship of discipline, transparency, independence, accountability, responsibility, fairness and social awareness on firm's reputation. This study adopts a descriptive and causal research design to describe the characteristics of the variables used in this study with a clearly phrased structured questionnaire to communicate with participants and avoid misunderstandings. The sample size of the study is 350 respondents. The convenience sampling method was used to determine the samples. Descriptive, correlation and regression methods of analysis are used in the study. The data are analyzed by using Statistical Package for Social Science (SPSS). The descriptive statistics include mean, standard deviations; minimum and maximum values of the variables are used to describe the characteristics of respondents.

The study found positive impact of Transparency, Interdependency and Accountability on firm's reputation. Similarly, the study also found positive impact of Fairness, Social Awareness, Discipline and Responsibility on firm's reputation. The study demonstrates that corporate governance is integral to a firm's reputation. The benefits of strong governance extend beyond compliance and risk management, permeating every aspect of stakeholder relationships and financial performance. Firms that adopt and maintain high standards of corporate governance are better equipped to build and sustain a positive reputation, ultimately driving long-term success and stakeholder value. Conversely, lapses in governance can lead to significant reputational damage, underscoring the critical

importance of governance in corporate strategy and operations. This analysis reaffirms that robust corporate governance is not merely a regulatory requirement but a strategic asset essential for achieving and maintaining a stellar reputation in the competitive business landscape. Though the majority of companies and consumers share the opinion that companies are liable to disclose their internal corporate information to public, the independence, responsibility & social awareness has strong governance control are recognized as significant factors in corporate reputation

Keywords: *Transparency, Interdependency, Accountability, Fairness, Social Awareness, Discipline and Responsibility*

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. Corporate Governance refers to the way in which companies are governed and to what purpose. It identifies who has power and accountability, and who makes decisions (Huse, 2005). Corporate governance is the key foundation for firms to be more productive and have a long existing product life cycle. The social and economic lives are developed and governed by the specific institutions of governance. Corporate governance is regarded as the key foundation of Organizations to be more productive, governed and controlled (Thomsen, 2004). Corporate governance is the System by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs (Luo, 2005).

According to Bhagat and Bolton (2008), Corporate governance most often viewed as both the structure and the relationships which determine corporate direction and performance. The board of directors is typically central to corporate governance. Its relationship to the others primary participants, typically shareholders and management, is critical. Additional participants include employees, customers, suppliers, and creditors. The corporate governance framework also depends on the legal, regulatory, institutional and ethical environment of the community (Young & Thyil, 2008).

According to Mayoral and Sánchez-Segura (2008), corporate governance practices are appropriately designed, it will guarantee the integrity of the accounting function, which is essential to avoid earnings management. Both academics and regulators have claim for the need of improving corporate governance controls. The corporate governance mechanisms seek to enhance confidence on capital markets, companies will have incentives to improve them voluntarily. It is expected that companies should have better governance practices, a better image and are more valued in terms of reputation.

Reputation builds competitive advantage (Weigelt & Camerer, 1988) and improves financial performance (Roberts & Dowling, 2002). Several authors have pointed out that the ultimate responsibility for the achievement and maintenance of a good reputation lies on the Board of Directors and the CEO (Kitchen & Laurence, 2003; Dowling, 2004).

The implication of financial sector governance in developing economies is even far reaching for following stylized facts. First, banks have an overwhelmingly dominant position in developing economy financial systems, and are dominant engines of economic growth Levine (2004). Second, as financial markets are usually under developed, they are typically the most important source of finance for a majority of firms. Third, they are usually the main depository for the economy 's savings. Fourth, many developing economies have recently liberalized their banking systems reducing the role of economic regulation. Consequently, managers of financial institutions have obtained a greater degree of freedom in running their organization. Commercial bank occupies quite an important place in the framework of every economy. It provides capital for the development of industry, trade & business investing the saving collected as deposit. All the economic activities of every country are greatly influenced by the commercial banking business of that country. Commercial banks, by playing active roles, have changed the economic structure of the world. Integrated & speedy development of the country is possible only when competitive banking services reach nooks & corners of the country Olokoyo (2011).

According to Snowden and Boone (2007), Good and recognizable image does not happen by chance. In order to build it, the procedure requires creativity and firm determination of corporate management. Corporate image and corporate reputation management have two primary aims. The first is the creation of 'the intentional image' in the minds of all key constituents in a company. This means creating a widespread name recognition between target stakeholders, accompanied by spontaneous identification. Corporate governance is the system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the directors include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The

Board's actions are subject to laws, regulations and the shareholders in general meeting Cadbury commission (1992).

Corporate governance comprises all the forces that effect on firm 's decision making process. It would protect not only the stockholder 's rights, but also the bounding agreement and collapsing power of debtors. Corporate governance also gains the commitment of the employees, customers and suppliers. In adding together, it is the Power to diffuse the risks by combining all the forces. In recent years, banking sector of Nepal was transformed from a sluggish and government-dominated sector to a much more fragile, competitive and profitable industry. Different foreign banks have emerged recently which have increased the competition among commercial banks. In order to get competitive edge and to attract more and more customers, banks are focusing on providing better services to the customers Boot and Thakor (2009).

Corporate governance in financial system aims at promoting healthy market practice and reducing financial anomalies resulting from agency problem (Reed, 2002). Among various other functions, banking system fundamentally performs an intermediary role in capital formation accepting deposits from customers, raise capital from investors or lenders (supply-side of credit) and then use lend this money to the business ventures and other economic activities (demand side of, buy securities and provide other financial services to customers. Financial system is therefore, believed to financial market that accelerates the performance of engine of growth of an economy. Good corporate governance is a need in financial system in that it controls market distortion from the various stakeholders in the system (Mehran & Mollineaux, (2012).

Good corporate governance reduces emerging market vulnerability to financial crises, reinforces property rights, reduces transaction costs and the cost of capital, and leads to capital market development. On the other hand, weak corporate governance frameworks reduce investor confidence, and can discourage outside investment. Good corporate governance is very much essential for the development of the nation and economy because good corporate governance contributes in ensuring protection of human right and work procedures that are structured to make it logical and compatible to organizational objectives. Good corporate governance is the key to the integrity of corporations, financial institutions and markets, and central to the health of our economies and their

stability. Good corporate governance is one of the keys to the healthy financial markets in today's globalized economy. Good corporate governance ensures that the business environment is fair transparent and that companies can be held accountable for their actions.

For emerging market countries, improving corporate governance can serve a number of important public policy objectives. Good corporate governance reduces emerging market vulnerability to financial crises, reinforces property rights, reduces transaction costs and the cost of capital, and leads to capital market development; weak corporate governance frameworks reduce investor confidence, and can discourage outside investment.

Nepalese businesses have to move along with world trend running the business organizations in a systematic way adopting good corporate systems. Good corporate governance practices obviously are dependents upon those incentives and specialization and all this become more important with the growth of company. The companies Act provides the basic corporate framework. Nepalese corporate sector is more concerned and promote better corporate governance practice need to study. Nepal needs to practice the corporate discipline, transparency, independency, accountability, fairness and social responsibility. And Nepal needs to enhance the marketability of goods and services, improve leadership and demonstrate transparency and social accountability.

1.2 Statement of Problem

Corporate governance has become a topical issue at the moment. The reason behind this concept gaining increasing importance in the corporate world is that most of the organizations, especially in third world context like ours, are rift with mismanagement, lack of corporate ethics and professionalism. The lack of corporate governance has become the root cause for the failure of most of the organization and hence, it is high time that all the organizations aspiring for success and survival practice good corporate governance and accord top priority to this. Corporate governance mechanisms are related to economics and legal institution that can be altered through the political process sometimes for the better results (Abor, 2007). One could take a view that we should not worry about governance reform, since in the long run; product market competitor would force firms to minimize costs. The cost minimization to adopt rules, including corporate

governance mechanisms enables corporations to raise external capital at the lowest cost (Shleifer & Vishny, 1997).

In recent times, corporate governance and its influence on innovation have attracted increasing interests from scholars as illustrated by the upsurge in the amount of research in this field (Naciti et al., 2022). Generally, corporate governance is important in strengthening organizations to achieve higher goals, control internal risks while minimizing external risks, assist with formal decisions, aids in ensuring sustainability as well as driving innovation (Bose et al., 2018; Csedo, 2023). Additionally, corporate governance is central to the competitiveness of today's businesses by covering both the social and institutional aspects of the organization (Chi-Kun, 2005). It also influences how objectives of businesses are formulated and implemented, how risks are monitored and assessed as well as how internal performance is optimized (Akomea-Frimpong et al., 2022).

The subject of corporate governance in developing economies has recently received a lot of attention in the literature: credit accrue to the growth prospective of these economies. In addition, noise trading as opposed to fundamentals was documented to affect markets of these economies Claessens and Yurtoglu (2013). These markets are, in general, less efficient and therefore, demands corporate governance at higher intensity. For development-oriented economies like Nepal, improving corporate governance can serve a number of important public policy objectives. Good corporate governance reduces emerging market vulnerability to financial crises, reinforces property rights, reduces transaction costs and the cost of capital, and leads to capital market development. Weak corporate governance frameworks, on the other hand, reduce investor confidence, and can discourage outside investment.

Many firms in Nepal still couldn't come into the corporate sector. They are family often owned and operated by inexperienced family members. Entrepreneurs play managers, accountants and other senior management roles. Organizational culture in Nepalese enterprises is to be still investigated. Companies, which are listed on the security exchange, should have professional management and adequate checks and balance in place to protect the interest of unsophisticated investors to the maximum extent possible. Corporate governance is very weak in Nepal. Institutions suffer from unclear role and

responsibilities of managerial bodies, boards, shareholders and other stakeholders. Lack of transparency in information sharing with the general public, absence of code of conduct for employees, managerial bodies, board members and stakeholders and irregularities and corruption are some of the characteristics prevalent in the financial system in Nepal.

Empirical evidences have shown mixed results on corporate governance and organizational innovation (Alabdullah et al., 2022; Buallay, 2019; Jensen & Meckling, 2019). Further, Miązek (2021) and Charreaux and Wirtz (2006) found that corporate governance enhances innovation, since it involves decision makers whose decisions must support the interests of all shareholders and advance the overall interest of the firm. However, some studies found that corporate governance has little or statistically insignificant impact on firm innovation (Chen et al., 2012; Shapiro et al., 2015). Several reasons have been presented for these mixed results on corporate governance and innovation. The immediate justification is the variables' intricacy, which made them difficult to measure. Then, the presence of several theoretical viewpoints and assertions that might explain the link between corporate governance and innovation (Chen, 2012; Samlal, 2020; Shapiro et al., 2015). Hence, these scholars recommended more robust analyses considering different measures of corporate governance and innovation. Therefore, more research is still needed to fully understand how corporate governance drives innovation, especially in the oil sector which appears to be neglected in previous studies which focuses more on corporate governance and innovation in manufacturing, banking, SMEs and telecommunication sectors (Buallay et al., 2017; Chen, 2012; Samlal, 2020; Shapiro et al., 2015).

The problems in corporate governance are the problems of execution. There is too much rhetoric. The real question is how we handle greed before it destroys capitalism. For this we need to change our model and move it away from a box ticking approach. There is still an agreement as to whether more money is destroyed by frauds or strategy. There are many among business still not convinced about the moral angle of business. Corporate governance is not just a legal formality. It is an instrument of business and social transformation. Our biggest challenge lies in replacing greed for running the corporation to a zest for making a difference to the community. Corporate governance therefore, is an

issue of the heart and not simply statutory compliance. To have the institution managed in the interest of real owners was a challenge at all times.

Many corporate governance related problems have been well documented and can cause managers to shirk and expropriate minority shareholders and creditors (Jensen et al; 1976) taken action that maximize short term return rather than long term return (Deangel et al: 1983), (Murphy and et al: 1993) and make potentially unprofitable investment in order to increase the firm size and possible total compensation (Murphy: 1985, Jensen: 1986). Legal protection of the investors rights is one essential element of corporate governance concentrated ownership through large hares holding, takeover and bank financing is also a nearly universal method of control of that helps to get investors to get their money back (Shieither et al., 1997).

Though there are above mentioned empirical evidences in the context of other countries and in Nepal, no such findings using more recent data exist in the context of Nepal. Therefore, in order to support one view or the other, this study was conducted. Hence, this study focuses on the relationship of corporate governance on firm's reputation. Therefore, this study deals with the following issues

- What is the relationship of corporate governance on firm's reputation?
- What is the impact of discipline, transparency, independence, accountability, responsibility, fairness and social awareness on firm's reputation?
- Is there any relationship of discipline, transparency, independence, accountability, responsibility, fairness and social awareness on firm's reputation?

1.3 Objectives of the study

The major objective of the study is to find out the relationship of corporate governance on firm's reputation. To some extent, the specific of the studies are as follows:

- To explore the perception of employees towards corporate governance.
- To examine the relationship of corporate governance on firm's reputation
- To examine the impact of discipline, transparency, independence, accountability, responsibility, fairness and social awareness on firm's reputation

1.4 Hypothesis of the Study

This study has chosen the following hypothesis based on the aforementioned research purpose and research questions:

H₁: There is significant impact of discipline and firm's reputation literature".

H₂: There is significant impact between transparency and firm's reputation

H₃: There is significant impact of independence and firm's reputation

H₄: There is significant impact of accountability and firm's reputation

H₅: There is significant impact of responsibility and firm's reputation

H₆: There is significant impact of fairness between firm's reputation

H₇: There is significant impact of social awareness between firm's reputation

1.5 Significance of the Study

This research helps corporation better understand the importance of corporate governance and its determining factors. Corporate governance covers both the social and institutional aspects of a business. Simply put, it is the system by which organizations are directed and managed. Corporate governance influences how the objectives of a business are set and achieved, how risks are monitored and assessed, and how internal performance is optimized. The main objective of this study is to focus on corporate governance system in Nepal. Corporate governance has become a topical issue at the moment. This study provides some important information to the researchers, academicians, and practitioners. Such information can be a very good guideline to all the stakeholder of corporate governance system in Nepal. It is a scientific research work that investigates corporate governance practice in Nepal. Finding of this research might be very important to the organization to run more effectively and in systematically to improves the corporate governance performance of the organization.

Understanding how corporate governance practices impact firm reputation has practical implications for businesses, investors, regulators, and other stakeholders. Insights gained from such research can inform corporate governance reforms, strategic decisions, and reputation management strategies. A strong reputation is a valuable asset for any firm. Researching the link between corporate governance and reputation helps identify governance practices that can either enhance or harm a firm's reputation. This knowledge

can guide risk management efforts aimed at safeguarding and enhancing the firm's reputation.

Research can uncover governance practices that positively impact firm reputation. By identifying these best practices, firms can adopt strategies that strengthen their governance frameworks, thereby enhancing their reputation and competitive advantage in the market. Research on the relationship between corporate governance and firm reputation contributes to the academic understanding of these complex concepts. It helps refine existing theories and models while providing a basis for further research in related fields such as corporate finance, organizational behavior, and strategic management.

1.6 Limitations of the Study

As in other research, this research can have its own limitations and they are listed below:

- Though the study collected opinions of employee without any bias, the study may not be representative enough.
- The analysis of this research is based on primary data, so any distortion of the reality from this study may be due to the business of the respondents.
- There are many components that are affecting the corporate governance but this study is considering only some limited components as independent variables.
- Only limited sample have been taken which may not be generalized to all sectors

1.7 Organization of the Study

The proposed study is organized and described into five chapters as follows:

Chapter I: Introduction

The first chapter of the research project provides basic information related to the research topic and outline of the study. It showcases background of the study, statement of problem, objectives of the study, significance of the study, limitation of the study and operational definitions/assumptions.

Chapter II: Literature Review

This chapter provides related words, definitions, and findings on the related topic from other researchers, journals, papers, and similar works which are very much important on guiding the research. Besides, this chapter includes theoretical framework around which the whole work was put together.

Chapter III: Methodology

This chapter presents the research design and methodology utilized in this research. The research design and methodology includes the planned methods used while conducting the research which has helped to guide the research towards its main findings and conclusion. It includes information on research design, data analysis methods, questionnaire, population and sample size, sampling techniques, data collection instrument, and the sources of data exclusively meant for this Project.

Chapter IV: Results

The fourth chapter deals with the main results of the study. After the collection of data and processing it is necessary to showcase the result and analyze the findings. Hence, this chapter includes presentation of data and analysis of the findings using diagrammatic representations such as pie-charts, bar-graphs as well as mathematical and statistical tools like descriptive analysis, correlation analysis and regression analysis.

Chapter V: Conclusion

This chapter outlines the discussion of results and suggestions for further research. This is final chapter of the research work; hence it revolves around showcasing summarized report of whole work. It focuses on concluding the work highlighting the main findings as well as making recommendations and providing guidelines for the prospective users, readers and future researchers.

References and appendix have also been incorporated at the end of the study.

CHAPTER II

LITERATURE REVIEW

This chapter discusses the relationship between corporate governance and firm's reputation and present conceptual framework of the study. Relevant literature is presented and the research approached proposed. A literature review is a comprehensive summary of previous research on a topic which surveys scholarly articles, books and other sources relevant to a particular area of research.

First section consists of empirical literature that introduces and describes about the past studies that have been occurred on various dates. This section also provides literatures conducted among variables along with their relationships with each other. It also deals a brief review of literature works in the context of both international and national perspectives. Fourth section presents a research gap of the study. The conceptual framework clarifies how the study is organized and what various variables have been selected. And finally, the sixth section presents operational definition of the variables used in the study.

2.1 Theoretical Review

Historically, the literature of corporate governance is enmeshed with the study of economics with references to —the theory of the firm. These were the initial attempts to understand the limitations of the perfect competition, macroeconomic model of market behavior. The literature set out the framework for the present day discussion and debate on how corporations behave and how they can be governed. Every life on earth, every little being to its atom, follows the rules bound by the creator. A turning point in the discussion on corporate governance and the principal-agent issue was the work by Fama (1980) who questioned the foundation of the concept of a firm and its ownership.

Theories of corporate governance focus on the board of directors as a mechanism to reduce agency problems induced by the wide separation between ownership and control. The agency theory recognizes that in a modern corporation, there is a wide separation between ownership and management, resulting in the conflict of interests between the owners and the agents. Haslinda and Benedict (2009) suggested that fundamental theories

in corporate governance began with the agency theory, expanded into stewardship theory and stakeholder theory and evolved to resource dependency theory, transaction cost theory, political theory and ethics related theories.

Agency Theory

Agency theory is one of the theoretical principles underlining the issue of corporate governance developed by Jensen and Meckling (1976) resulting out of the separation of ownership and control. Investors have surplus funds to invest but due to technical constraints such as inadequate capital and managerial expertise to manage the funds, they employ the services of managers to invest their funds into profitable ventures so as to generate good returns, and managers rewarded for their services. The actions and inactions of managers do not always promote the interest of the financiers and of which some of their actions are detrimental to the fortunes of the financiers, hence the issue of agency problem. Thus, agency problem as described by Jensen and Meckling (1976), focuses on the consumption of perquisites by managers and other types of empire building (La Porta et al., 2000).

According to Shleifer and Vishny (1989), managers can expropriate shareholders by entrenching themselves and staying on the job even if they are no longer competent or qualified to run the firm. Managerial expropriation of funds can also take more elaborate forms than just taking cash out, such as transfer pricing (Shleifer and Vishny, 1997). Such transfer pricing, asset stripping, and investor dilution though often legal, have largely the same effect as theft (La Porta et al.; 2000). More also, managerial expropriation can take the form of diversion of firm opportunities from the firm, installing possible unqualified family members or cronies on key managerial positions, or overpaying executives, using the profits of the firm to benefit themselves rather than the money to the investors (La Porta et al., 2000). As a result of the 12 interest of opportunistic, self-interested managers, there was an agency lost which is the extent to which returns to the residual claimants and; the owners fall below what they would be if the owners exercised direct control over the company (Jensen and Meckling, 1976).

Stakeholder Theory

One argument against the strict agency theory is its narrowness, by identifying shareholders as the only interest group of a corporate entity necessitating further

exploration. By expanding the spectrum of interested parties, the stakeholder theory stipulates that, a corporate entity invariably seeks to provide a balance between the interests of its diverse stakeholders in order to ensure that each interest constituency receives some degree of satisfaction (Abrams, 1951). The stakeholder 's theory was developed by Freeman et al., (2010) with emphasis on the need for managers to have corporate accountability to stakeholders instead of shareholders. Stakeholders are —any group or individual that can affect or is affected by the achievement of a corporation 's purpose (Freeman 1984). Donaldson and Preston (1995), defined stakeholders as identified groups or persons who have interest in a firm and these interests have intrinsic value. The theory is interested in how managerial decision making affect all stakeholders and no interest should be able to dominate the other (Donaldson and Preston, 1995). The stakeholder theory is therefore appearing better in explaining the role of corporate governance than the agency theory by highlighting the various constituents of a firm. Thus, creditors, customers, employees, banks, governments; and society are regarded as relevant stakeholders. Related to the above discussion, John and Senbet (1998) provide a comprehensive review of the stakeholders 'theory of Corporate Governance which points out the presence of many parties with competing interest in the operations of the firm. They also emphasize on the role of non-market mechanisms such as the size of the board and; committee structure as important to firm performance.

Stewardship Theory

The stewardship theory emerged as a result of the seminar work by Donaldson and Davis (1991). The theory is based on the assumption that, the interest of shareholders and the interest of management are affiliated; therefore, management is motivated to take decisions that would maximize performance and the total value of the firm. It is the believe of the theory that, there is greater utility in cooperative than in individualism or individualistic behavior and hence whilst the actions of management would be to maximizing shareholders 'wealth, it would at the same time be meeting their personal ambitions or needs. The managers protect and maximize shareholders 'wealth through firm performance, because by so doing, their utility functions are maximized (Davis et al., 1997). In order to achieve this goal, the shareholders must put in place appropriate empowering mechanism and governance structures, information and authority to facilitate the autonomy of management to take decisions that would maximize their utility as they achieve the goal of the firm rather than self-servicing objectives. For CEOs who are

stewards, their pro-firm actions are best facilitated when the corporate governance structures give them high authority and discretion (Donaldson and Davis, 1991). Davis et al.; (1997), identified five components of the management philosophy of stewardship as trust, open communication, empowerment, long-term orientation and performance enhancement. One key distinguishing feature of the theory of stewardship is that it replaces the lack of trust to which agency theory refers with respect for authority and inclination to ethical behavior.

Resource Dependency Theory

This theory was developed by Pfeffer (1973) and Pfeffer and Salancik (1978) with the aim of emphasizing the important role played by the board of directors in providing access to resources that would enhance the firms performance and protect it against externalities. Firms require resources in the areas of Finance, human, technical, information, communication and technology to function properly and to achieve their objectives. The accessibility to resources enhances organizational functioning, performance and survival (Daily et al., 2003). Hillman et al. (2000), argue that; resource dependence theory focuses on the crucial role that the directors perform in providing or securing essential resources to the firm through their linkages to the external environment. They contend that; directors bring resources to the firm in the form of skills, information, access to key constituents such as buyers, suppliers, public policy makers as well as legitimacy. Firms depend on each other for business because they form the largest proportion of the firms customer base. This means that; the actions of one firm can greatly influence the financial performance of the other either positively or negatively. Therefore, there is need for firms to establish good relationships at board levels. This was collaborated by Johnson et al. (1996), by agreeing to the fact that, the theory provides focus on the appointment of representatives of independent firms as a means of gaining accessibility to resources that are so critical for the survival and success of the firm.

2.2 Empirical Review

Writers	Topics	Methodology	Findings
Eriqat et al., (2023)	Do Corporate Governance Mechanisms Matter to the Reputation of Financial Firms? Evidence of Emerging Markets	Descriptive and casual comparative	The present study finds that audit committee independence improves corporate reputation. Additionally, findings show that ownership concentration negatively affects corporate reputation. In terms of the control variables, the results reveal that lagged corporate reputation and firm size positively influence corporate reputation, while leverage reflects a negative impact on corporate reputation.
Dang et al., (2023)	Impact of Corporate Governance on Firm Value: Empirical Evidence from Vietnam	Secondary data, descriptive data	The results show that corporate governance positively impacts on the firm value of listed firms in term of board independence, the presence of female member in board, large shareholders and foreign investors.
Hashem et al., (2023)	The Effect Of It Governance On The Relationship Between Corporate Social Responsibility And Performance In Iraqi Banks	Regression model and cross-sectional analysis	The results showed a positive and statistically significant relationship between social responsibility and bank performance. Also, information technology governance (ITG) moderates this effect. Additional methods (t+1, fixed effects, ordinary least squares) were employed to test the validity of the research models.

Atugeba and Acquah-Sam (2023)	Relationship between corporate governance and firm performance in Ghana: does compliance to national governance frameworks matter?	Descriptive analysis	The study used the Huber M-estimation Robust Least Squares (HMRLS) regression method. The findings of our study reveal that corporate governance practices adversely affect the level of firm performance. However, our results demonstrate that compliance with national governance and institutional frameworks plays a significant moderating role in the relationship between corporate governance and firm performance.
Almarayeh et al., (2022)	Exploring the relationship between corporate governance and firm's performance: Does political connection matter?	Causal-comparative analysis	The study reveals that a higher proportion of independent directors and CEO duality positively affected firm performance. However, board meetings and board financial experience have no affected firm performance. The study also shows that audit committee independence, audit committee size, and audit committee expertise are positively related to firm performance. In contrast, it finds no discernible impact of audit committee meetings on firm performance.
Ghuslan et al., (2021)	Corporate Governance and Corporate Reputation: The Role of Environmental and Social Reporting	Descriptive and inferential analysis	The results of the study reveal that corporate governance and environmental and social reporting quality influence corporate reputation. The results also show that corporate governance significantly influences environmental and social reporting quality.

	Quality		The mediation analysis showed that environmental and social reporting quality fully mediated the relationship between corporate governance and corporate reputation
Mansour et al., (2020)	Datasets for cross-sectional index of Jordanian non-financial sector firms		The study found the corporate governance as the basic indicator to determine the non-financial sector of Jordanian firms.
Pérez-Cornejo et al., (2020)	Reporting as a booster of the corporate social performance effect on corporate reputation. Corporate Social Responsibility and Environmental Management	Descriptive analysis	Corporate social responsibility dimensions (social, environmental, and economic) positively affect corporate reputation. The study also find that good CSR reporting quality increases the intensity of the environmental and social performance effects on corporate reputation.
Baruah & Panda, (2020)	Measuring corporate reputation: A comprehensive model with enhanced objectivity	Cross-sectional analysis	The study found positive impact of good governance to determine the reputation of the organization. The study found positive impact of rules and regulations on corporate governance of the organization

<p>Pérez-Cornejo et al., (2019)</p>	<p>How to manage corporate reputation? The effect of enterprise risk management systems and audit committees on corporate reputation</p>	<p>Inferential and casual comparative</p>	<p>Governance system is a useful tool for managing corporate reputation. The results also show that audit committee independence improves corporate reputation through the proper system. There is positive relationship between the average educational level of independent directors of the audit committee and corporate reputation.</p>
<p>Dell Atti et al., (2017)</p>	<p>Corporate reputation as a Determinant of Bank Reputation: An Empirical Analysis</p>		<p>Corporate reputation has important implications for economic performance while corporate social responsibility engagement is considered a key determinant of reputation. Bank reputation is positively related to accounting performance and is negatively related to leverage and riskiness profiles. However, while a positive relationship between reputation and social performance exists, relationships between reputation, corporate governance, and environmental performance are always negative.</p>
<p>Sanchez et al. (2015)</p>	<p>The relationship between corporate social</p>	<p>Descriptive and fixed-effects model</p>	<p>The results obtained show that, for the Spanish Ibex35 companies, CSR practices according to their consistency have a significant positive effect on CR and in turbulent environments, as in the</p>

	responsibility and corporate reputation in a turbulent environment: Spanish evidence of the Ibex35 firms		current financial crisis, it has had a significant positive influence on the CSR-CR relationship.
Mishra and Mohanty (2014)	Corporate governance as a value driver for firm performance: evidence from India	step-wise multiple regression analysis	The board and the proactive indicators influence the firm performance significantly whereas legal compliance indicator does not do so. The composite corporate governance measure is a good predictor of firm performance.
Ilyas and Rafiq (2012)	Impact of Corporate Governance on Perceived Organizational Success (Empirical Study on Consumer Banks in Lahore, Pakistan)	Descriptive and Likert scale questionnaire	This empirical study suggests that the corporate governance has widespread role in organizational success. The results suggest that discipline, social awareness, accountability, fairness and responsibility have significant effect on organizational success. However, effect of discipline and social awareness is higher than accountability, fairness and responsibility. Moreover, our study shows that independence and transparency do not effect on organizational success significantly

Desoky and Mousa (2012)	Corporate Governance Practices: Transparency and Disclosure Evidence from the Egyptian Exchange	Descriptive and statistical analysis	The univariate analysis reveals that there is a significant positive association between the dependent variable or the T&D index (TOTALS) from one side and four of the independent variables namely FORLIS, FSIZE, and AUDITF from the other. Findings of the multivariate analysis are consistent with those of the univariate analysis especially for results related to the independent variable of foreign listing (FORLIS) and firm size (FSIZE)
Hillenbrand and Money (2007)	Corporate responsibility and corporate reputation: Two separate concepts or two sides of same coin	Inductive research design, qualitative research techniques	The results suggest that there is considerable similarity between the concepts of responsibility and reputation.
Radbourne (2003)	Performing on Boards: The link between governance and corporate reputation in nonprofit arts boards	Descriptive analysis	The reputation of the company flows from the board's capacity to manage finances, stakeholders and mission. In-depth interviews with board chairs and general managers revealed that strong management systems and rigorous financial reporting are the drivers of good governance.
Haniffa and Cooke (2005)	The impact of culture and governance on corporate	Cross-sectional analysis	Our results indicate a significant relationship between corporate social disclosure and boards dominated by Malay directors, boards dominated by

social
reporting

executive directors, chair with multiple directorships and foreign share ownership.

Four of the control variables (size, profitability, multiple listing and type of industry) were significantly related to corporate social disclosure with the exception of gearing.

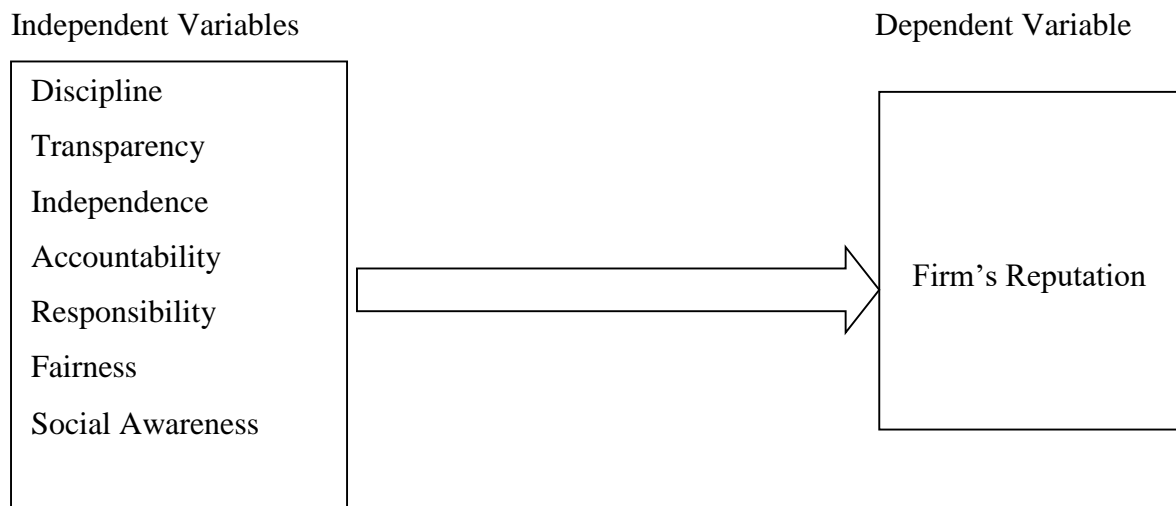
2.3 Research Gap

From the review of literature, it can be understood that though many studies have been conducted on different aspects of corporate governance and perceived organizational success in India and even in foreign countries, a study specifically for perceived organizational success of banking sector in Nepal is missing in literature. Moreover, till date, there is little researches have been conducted on any aspects of perceived organizational success of banking sector in Nepal. Hence, the present study examines empirically the vital issues relating to the perceived organizational success in selected banks in Nepal and suggests which component of corporate governance is more effective for perceived organizational success of banking sectors in Nepal. Previous research has taken other factors to measure perceived success. This research has taken different seven aspects of corporate governance such as accountability, independence, transparency, social awareness fairness, discipline, and responsibility all together to determine the impact on perceived organizational success which previous research has not included.

2.4 Conceptual Framework

Figure 2.1 shows the theoretical frame work of study is depicting the influence of corporate governance on corporate reputation. This frame works indicates corporate governance as Independent variable and perceived organizational success as dependent variable. Transparency, Interdependency, Accountability, Fairness, Social Awareness, Discipline and Responsibility are dimensions to measure the corporate governance as a construct variable. Below figure is the schematic representation of factors that guide our research question.

Figure 2. 1: Conceptual Framework



Source: (Bhatta, 2019; Kumaran & Thenmozhi, 2015)

2.5 Specification of Variables

The independent variable used in this study and their explanation is as follows:

Independent Variables

Discipline

Discipline consists of to obey rule, regulation and policies of the organization and a code of behavior. Discipline is the most important for healthy atmosphere, sustainable growth of Industry, and for achievement of organizational goals. The term discipline refers to the employee's willingness to abide by the companies rules and executive orders and behave in such a manner. Hasibuan (2012) argues that discipline is the awareness and willingness of a person to obey all the rules of the institution and the prevailing social norms. Discipline must be enforced within an organization. Without the support of good employee discipline, it is difficult for a company to realize its goals. So, discipline is the key to a company's success in achieving its goals. Discipline is the adherence to the rules in the organization related to the absence, quality of work, quantity of work, knowledge of work, and so forth (Koopmans et al, 2014).

Transparency

Transparency may be described as the disclosure instruments i.e. annual reports etc that are simple and understandable and that information made available in such reports is relevant and give complete information and does not include any such mis-declarations which have any adverse impact on performance of the companies (Braadbaart 2007). The

word ‘Transparency’ was derived from transparent. It means the quality of surface through which things are observed. Transparency here in corporate governance means the declaration of actual picture of the firm in manner of its operations to all its share holders, investors and stockholders.

Independence

Al-Hadrami, Rafiki, and Sarea, (2020) in their study found that audit independence and audit competence have a positive and significant influence on investment decision-making. Krishnan (2005) investigated the relationship between audit committee independence and internal control problems where the results showed a significant relationship of both variables, indicating that the existence of more independent directors in the audit committee decreases the internal control problems.

Accountability

Accountability is the obligation of an individual, group, or organization to explain, justify, and take responsibility for their actions, decisions, and policies. It involves being answerable to stakeholders and ensuring that there are consequences for actions taken. Accountability ensures transparency, promotes trust, and enhances the effectiveness and integrity of governance and organizational performance. accountability mechanisms are crucial for ensuring that public servants act in the best interest of the public and that they are answerable for their decisions and actions.

Responsibility

Responsibility is the duty or obligation to perform or complete a task, role, or function satisfactorily and to be accountable for the outcomes of one’s actions or decisions. It encompasses the expectation to act ethically, make decisions in alignment with certain standards or principles, and ensure that one’s actions contribute positively to the goals or objectives of an organization, community, or society. responsibility is about being entrusted with certain duties and being reliable and accountable for fulfilling them in a manner that aligns with ethical standards and societal expectations.

Fairness

Fairness is the quality of making judgments and decisions that are free from bias, favoritism, or injustice. It involves treating all individuals equally and impartially, ensuring that everyone has an equal opportunity to succeed and that outcomes are just and equitable. Fairness is a fundamental principle in ethics, law, and social justice, emphasizing the importance of balance and impartiality in interactions and decision-

making processes. Fairness is about ensuring that everyone is treated justly and equitably, promoting a sense of trust and integrity in various systems and interactions

Social Awareness

Social awareness is the ability to understand and respond to the needs, emotions, and perspectives of others, as well as recognizing and appreciating the social dynamics within a group or society. It involves being conscious of the social environment, including cultural norms, societal issues, and the experiences of diverse individuals and communities. Social awareness is a crucial component of emotional intelligence and is essential for effective communication, empathy, and collaboration. social awareness is about being mindful of the social context in which we live and interact, fostering empathy, respect, and positive relationships with others.

CHAPTER III

RESEARCH METHODOLOGY

This chapter is designed to explain the research methods used to meet the stated objectives of the study. This chapter hence provides information about research design, sources of data, questionnaire, data collection procedures, pilot study, population and sampling, instrumentation, administration of instrument and data analysis plan.

3.1 Research Philosophy

A research philosophy is a framework that determines how research should be carried out based on beliefs regarding reality and the nature of knowledge. There are three paradigms to research philosophy: Positivism, Interpretivism, and Pragmatism. The positivist philosophy on which the study is based contends that scientific methods and empirical research are the only means of acquiring knowledge and truth. It infers that figuring out the effect of monetary education, monetary consideration, and computerized monetary development on people and social orders ought to be information driven and proof based. Quantitative research tools like surveys and statistical analysis, among others provides a systematic approach to data collection and analysis. Hence, Quantitative devices helps in to assess of speculations, make deductions, and reach determinations in view of experimental information, as well as the correlation and replication of discoveries to demonstrate logical legitimacy and dependability.

3.2 Research Design

This study has employed descriptive and causal comparative research design. The descriptive research design aims to accurately and systematically describe a population, situation or phenomenon. This design is an appropriate choice to identify characteristics, frequencies, trends and categories and impact of corporate governance on firm's reputation. The purpose of this study is to better understand the interplay between corporate governance on firm's reputation for which the dependent and independent variables are developed. Through an all-encompassing literature study, the causal comparative research design was used. This research design allows us to find relationships between independent and dependent variables after an action or event has

already occurred. This method is often used to make references or to gather preliminary data to support further research and experimentation.

3.3 Population and Sample

Population or universe refers to the entire group of people, events or things of interest that the researcher wishes to investigate. A sample is a representative portion of population which possesses all the characteristics that are exist in population. The entire population of this study is the all 21 commercial banks in Nepal. Among population five banks have been selected as sample on the basis of financial performance or success. The respondents of the research were those people who work in Commercial Banks of Nepal. This study obtained data from 350 employees from Commercial Banks of Nepal working all over Kathmandu Valley.

3.4 Sample Size for Frequency in a Population

Population size (for a fine population correction factor of fpc) (N): 1000000

Hypothesized % frequency of outcome factor in the population (p): 28.7%+/-5

Confidence limits as % of 100 (absolute +/-) (d):

Design effect (for cluster surveys-DEFF);

Table 3. 1: Sample Size (n) for Various Confidence Levels

Confidence level (%)	Sample Size
95%	315
80%	135
90%	222
97%	386
99&	543
99.9%	886
99.99%	1238

3.5 Source of data

Mainly this study is based on primary data. But at the initial phase, for the purpose of developing theoretical framework, the data collection procedure was secondary. Basically, the secondary source of data was internet, books and journals and related articles. Similarly, in the later stage the primary source of data collection was used for the

purpose of collecting data so as to analyze data for ascertaining the results. The primary source of data was structured questionnaires, which consisted of multiple choice questions and rating scales so as to meet the intended objective of the study. The data for research was collected with the help of a questionnaire based on a 5- point rating scale ranging from 1-strongly disagree to 5strongly agree.

3.6 Research Instrument

The primary instrument for this study is a structured questionnaire, designed to collect both cross-sectional and primary data. The survey is purposefully designed to include a wide range of banking professionals including assistant, officers, managers and senior executives ensuring a thorough and comprehensive grasp of the topic. In order to obtain a comprehensive picture of the impact of Corporate Governance on Firms Reputation, the researchers carefully matched the questionnaire to the study objective. The questionnaire includes both closed-ended and Likert scale questions carefully constructed in clear language to effectively communicate the research objective helping in clarity and comprehension. Similarly, in section one, the questionnaire comprises demographic related questions, while in second part, 5 points Likert scale questions regarding the subject to measure dependent and independent variables was used.

The 5 points Likert scale questions upon dependent and independent variables are based on the article of different authors and writes. Most of the questionnaire are collected from the article of (Bhatta, 2019; Kumaran & Thenmozhi, 2015). Similarly, questionnaire related with firms reputation are based on the articles of Syangbo (2018) and Bhatta (2018).

Before testing questionnaire, expert's groups of the banking industries helped and worked to ensure that the wording, format length and sequencing of the questions are adequate and appropriate. Feedbacks were obtained from several stakeholders (Bank employees, eminent professors, faculties and research supervisors) to refine the survey instruments. All statements were carefully reformed considering banking environment. After the collection of questionnaire, the responses derived from the questionnaire is be coded in a simple form.

3.7 Data Collection Procedures

In this research, primary data collection method was used for which Survey questionnaire method was used as it is best suited for descriptive study. Questionnaires were handed out through delivery and collection method. Delivery and collection of questionnaires allow researcher to confirm that the questionnaires were filled up completely and reduce the occurrence of missing data. It facilitates the researcher to explain respondents about any queries they may have regarding the questionnaire. This, in turn, would increase the accuracy of the data being collected. 37 Questionnaires for this study were handed out to employees of service sector (bank) organizations. The data collection phase was estimated to be spanned over a total of 20 days. The respondents were asked to respond on the close-ended questionnaire based on the 7-variables. Responses on the questionnaire were from both online and offline were collected over a time period of near about a month. Pilot testing was also used among 30 respondents selected from different commercial banks located at commercial banks. All the construct reliability was above threshold criteria (i.e > 0.70) in pilot testing, which provided green signal to move forward for data collection procedure.

3.8 Data Analysis Tools and Techniques

This section reflects how analyses have been carried out in chapter four. It is necessary to follow certain steps and procedures in analyzing data in order to understand the results and generalize the findings. The analysis starts with the analysis of primary data through SPSS. The primary data is collected from service sector organizations through the preparation of questionnaire, for analyzing the relationship of internal communication climate with employee engagement. Total responses collected from the respondent were coded and tabulated into SPSS worksheet. Cronbach's alpha coefficient was used for scaled items to test the reliability.. Simple descriptive statistics such as frequency count, percentage, mean and standard deviation, etc. were used particularly to analyze the corporate governance in Nepalese commercial banks.

Mean or Average

An average line which represents group of values. In other words, the quantities which are the representative of the huge mass of quantities are known as average. The most popular mean is arithmetic mean or average, which is calculating the sum of all variables divided by the number of variables. The mean is the arithmetic average of a

variable. An average is a single value that represents a group of values. It depicts the characteristics of the whole group. It is a representative of the entire mass of homogenous data, its value lies somewhere in between the two extremes, i.e. the largest and the smallest items. It is obtained by dividing the sum of the quantities by the number of items.

$$\bar{X} = \frac{\sum X}{n}$$

Where,

\bar{X} = Average

n = Number of respondents

Σ = Sign of summation

The studies calculate the average value of all the independent variables, which is calculated through the financials formulas and data, collected from the primary sources. Thus, calculation of mean is based on the calculation of financial formula of all independent variable.

Standard Deviation

Standard deviation (S.D.) is the most popular and the most useful measure of dispersion. It indicates the ranges and size of deviance from the middle or mean. It measures the absolute dispersion. Higher the values of standard deviation higher the variability and vice versa. It is the positive square root of average sum of squares of deviations of observations from the arithmetic mean of the distribution. Generally, it is denoted by small Greek letter σ (Read as sigma) and is obtained as follows:

$$\sigma = \sqrt{\frac{\sum(X - \bar{X})^2}{N}}$$

Where,

σ = Standard deviation

$\sum(X - \bar{X})^2$ = Sum of square of the deviation measured from arithmetic mean

N = Number of items

The studies calculate the standard deviation of all the independent variables, which is calculated through the financials formulas and data, collected from the secondary sources. Thus, calculation of standard deviation is based on the calculation of financial formula of all independent variable over the seven years.

Correlation analysis

Correlation is one of the most useful statistics. In other words, correlation is the statistical tool measures the degree of relationship of one variable with other variable. Two or more variables are said to be correlated if change in the one variable appears to be related or linked with the change in the other variables value. Correlation says just degree of relationship between two or more variables. It does not tell us anything about cause and effect relationship. Correlation may be positive or negative. Correlation lies between -1 & +1. When Pearson's correlation(r) is close to 1 then there is strong relationship between two variables. This means that change in one variable are strongly correlated with change in second variable. When correlation(r) is close to zero then there is weak relationship between two variables. Any other form of relationship between two continuous variables that is not linear is not correlation in statistical terms.

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - (\sum x)^2} \sqrt{n\sum y^2 - (\sum y)^2}}$$

Where, n = Number of responses

x = Value of independent variable

y = Value of dependent variable

Regression analysis

A technique for determining the statistical relationship between two or more variables where a change in a dependent variable is associated with, and depends on, a change in one or more independent variables. Multiple regression is a statistical tool used to derive the value of a criterion from several other independent, or predictor, variables. It is the simultaneous combination of multiple factors to assess how and to what extent they affect a certain outcome. It can be used to forecast effects or impacts of changes. The multiple linear regression analysis can be used to get point estimates. The theoretical model for the relationship is formulated as equation below.

Model 1

$$FR = \beta_0 + \beta_1 DIS + \beta_2 TRS + \beta_3 IND + \beta_4 ACC + \beta_5 RES + \beta_6 FAR + \beta_7 SA + \epsilon$$

Where,

DIS=Discipline

TRS=Transparency

IND=Independence

ACC=Accountability

RES=Responsibility

FAR=Fairness

SA=Social Awareness

3.9 Ethical Consideration

When researching the impact between corporate governance and a firm's reputation, ethical considerations are crucial. Researchers must collect data honestly and report it transparently, ensuring the methodology is clear for reproducibility. It is important to protect the privacy of participants by anonymizing their responses and safeguarding their information. Participants should be fully informed about the research and have the right to withdraw at any time without penalty. Researchers must disclose any potential conflicts of interest to maintain objectivity and avoid bias. Properly citing sources and obtaining permissions for proprietary materials is essential to avoid plagiarism. The research should aim to improve corporate governance and company reputation, considering the impact on various stakeholders. Presenting findings accurately and in a balanced manner is crucial for ethical reporting.

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION

This chapter delivers the systematic and orderly results of the study in the form of presentation, interpretations and analysis of the primary data with various issues associated with to find out the relationship of corporate governance on firm's reputation. The result is mainly based on the responses of questionnaire administered to employees in various banks. Different statistical and regression model described in chapter three have been used for the study purpose. The data was collected from 350 respondents from various categories and evaluated using SPSS. To provide visually appealing and easy-to-understand results, all data and information are presented in a prepared table. To assess the relationship between different variables, we computed frequency, standard deviation, mean, percentage, and other statistical tests. The research and data findings are grouped into two categories:

- Analysis and findings of demographic data
- Inferential statistics analysis

4.1 Descriptive Analysis

Descriptive analysis looks at and presents information in a way that empowers the distinguishing proof of examples and bits of knowledge. Descriptive facts are used to approve the factors, analyze suspicions, and address research-related worries to make sense of the qualities of the example. It offers a total outline of how members responded to the review's inquiries and factors. Descriptive analysis includes proportions of recurrence, focal propensity, scattering, and position, and think about various sorts of factors (ostensible, ordinal, span, and proportion) to sum up and grasp information. Prior to directing inferential statistical comparisons, it is essential to calculate descriptive statistics since they gather information into a concise synopsis, working with the assessment of explicit populations.

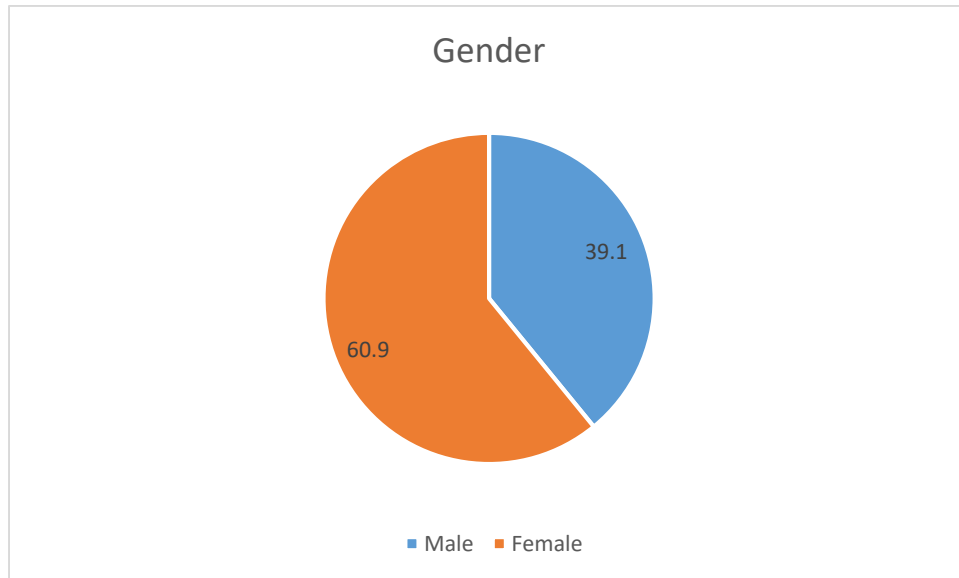
Gender of Respondents

Gender is an important variable in expressing and giving the responses about the problem. Hence, the variable gender was investigated for this study. Gender refers to the characteristics of women, men, girls and boys that are socially constructed. This includes norms, behaviors and roles associated with being a woman, man, girl or boy, as well as

relationships with each other. As a social construct, gender varies from society to society and can change over time. The gender wise classification of the respondents is presented in figure 1.

Figure 4.1

Gender of Respondents



Source: Field survey 2024

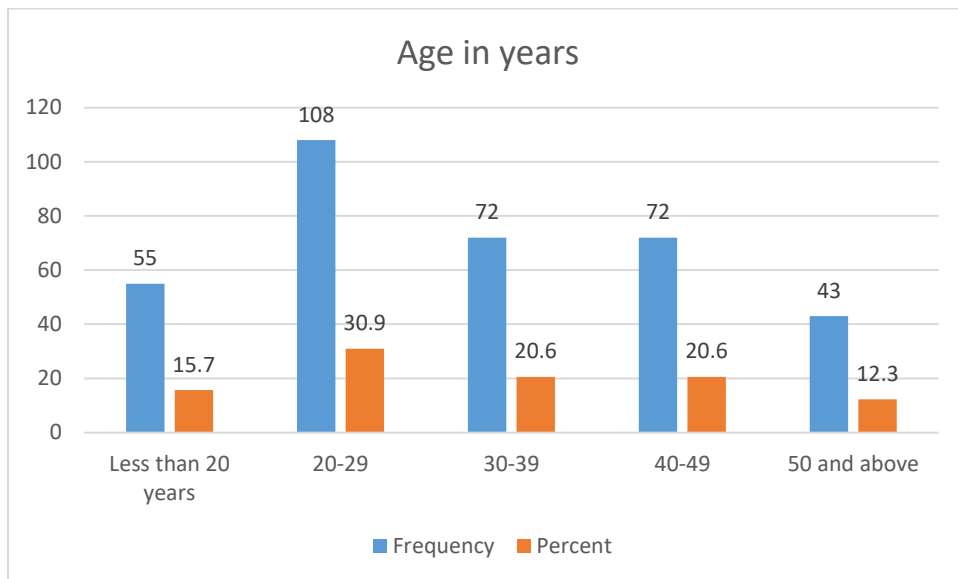
The figure 4.1 shows the gender of respondents. The figure shows that majority of respondents i.e. 60.9% of respondents were female and remaining 39.1% of the total population were male. The figure also shows that majority of respondents who work at commercial banks were female.

Age Group

Age of the respondents is one of the most important characteristics in understanding the views about the particular problems. The age of the respondent is categorized into three groups i.e. 20-29, 30-49 and 50 and above. The classification of the respondents by age in terms of percent is shown in figure 4.2.

Figure 4. 2

Age Group of Respondents



Source: Field survey 2024

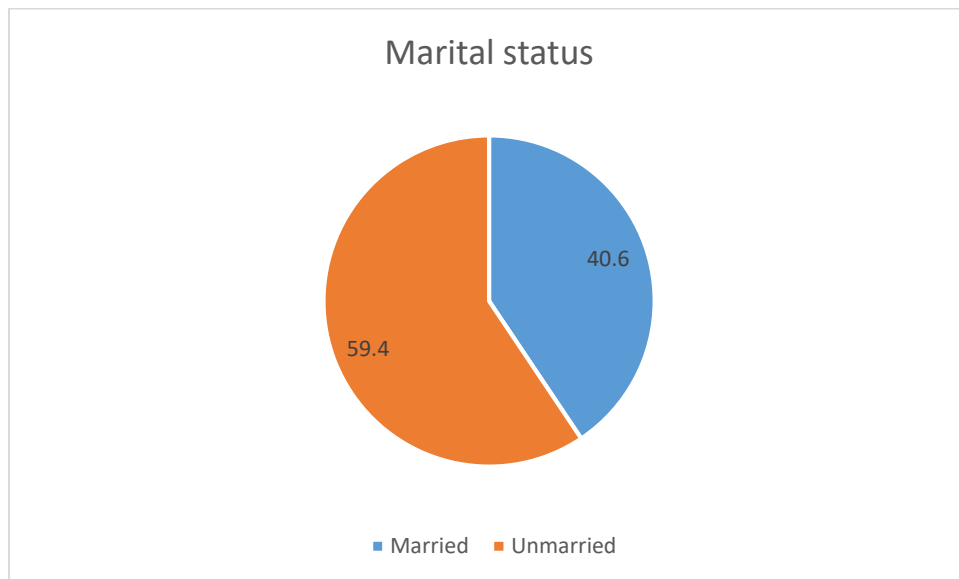
The figure 4.2 presents the age group of respondents. The figure presents that about 15.7% of the total respondents lies between age group less than 20 years followed by the maximum age group of 20-29 years of age of 30.9% comprising of 108 respondents. Similarly, about 72 respondents lie between the age group of 30-39 years of age and 40-49 years of age comprising of 20.6%. Likewise, least number of respondents I.e. 43 lies between age group between after 50and above.

Marital Status

Marriage is a consensual unit in light of closeness, monetary collaboration, and common objectives. Nonetheless, conjugal connections likewise include a complicated arrangement of social elements, including coordinated effort and struggle, various examples of asset portion, and a division of work (Anderson and Taylor, 2015). The conjugal situations with the respondent were seen inside this review. Hitched individuals need to procure something else for themselves as well as their families. The marital status of the respondent is shown in the figure 4.3.

Figure 4.3

Marital Status



Source: Field survey 2024

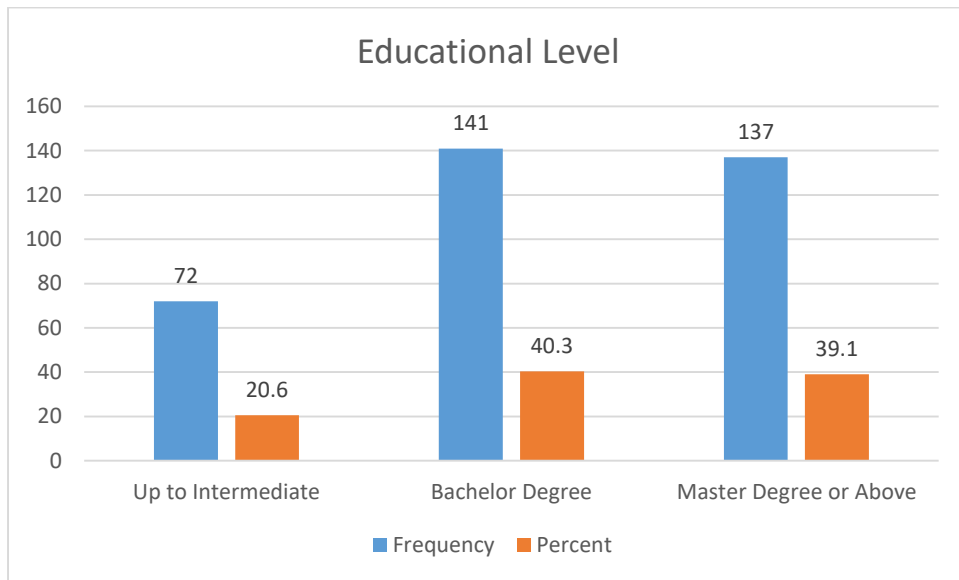
The figure 4.3 presents the marital students of the total respondents. The figure highlights that majority of respondents were unmarried with 59.4% followed by married with 40.6% of the total respondents. The figure shows that majority of respondents were unmarried.

Educational Level

Education plays a vital role in the betterment of livelihoods and occupation. Formal education, however, is still not common in the country. Training assumes a fundamental part in the improvement of livelihoods and occupation. Formal schooling, be that as it may, is as yet not normal in the country. As road distributing requires negligible training to go on with fundamental exchanges from one or the other party, I noticed the no. of respondents with different instructive levels. Therefore, the academic qualification of the respondents was investigated and the data pertaining to education is presented in figure 4.4.

Figure 4. 4

Education Level



Source: Field survey 2024

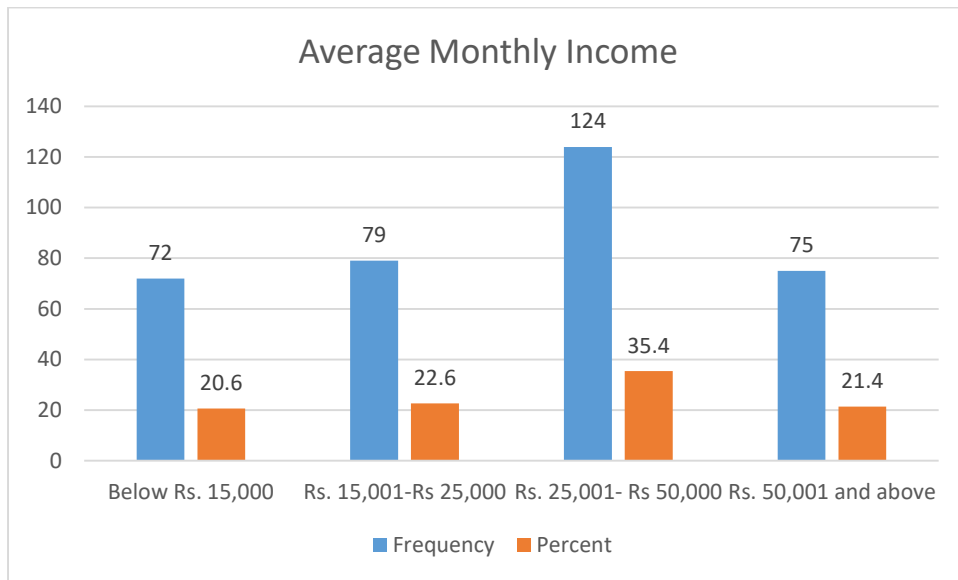
It displays two sets of data for each educational level: Frequency and Percent. The highest frequency of individuals (about 140 comprising of 40.3%) have a Bachelor Degree. Similarly, about 130 i.e. 39.1% of respondents have Master Degree or Above followed by education up to Intermediate with 20.6%. The data suggests that a significant proportion of the population holds a Bachelor Degree, followed by those with a Master Degree or Above. The smallest group consists of individuals with education up to Intermediate level. This distribution may reflect trends in educational attainment and its importance in the sample population.

Monthly Income

Income level is the utilization and saving open door acquired by a substance or female part inside a predetermined time period, which is by and large communicated in financial terms. Pay alludes to the cash that an individual or element gets in return for their work or items. Pay might have various definitions relying upon the unique circumstance for instance, tax assessment, monetary bookkeeping, or financial investigation. For the vast majority, pay implies their absolute profit as wages and pay rates, the profit from their ventures, benefits conveyances, and different receipts.

Figure 4. 5

Monthly Income



Source: Field survey 2024

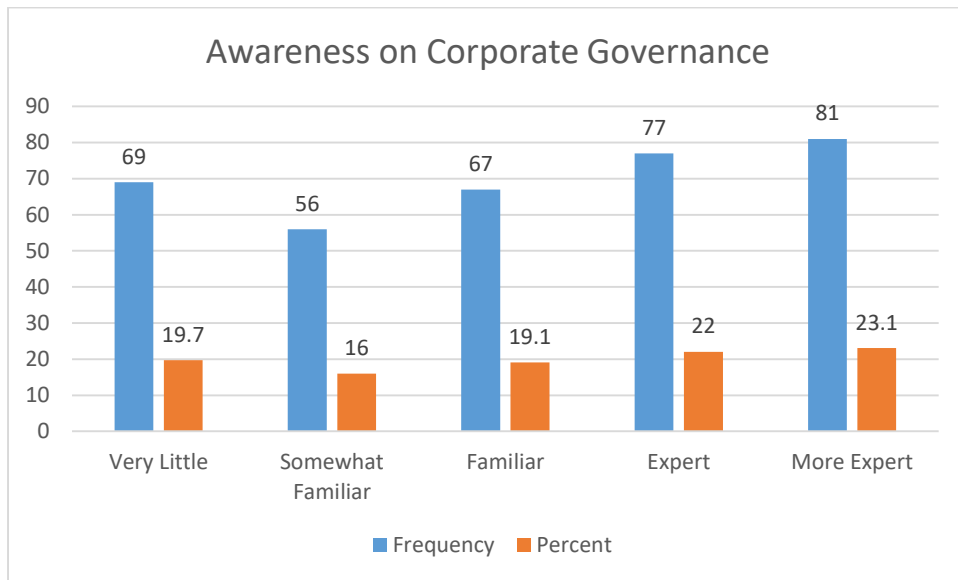
The data suggests that the majority of the population earns between Rs. 25,001 and Rs. 50,000 monthly with 124 respondents comprising 35.4%. The second highest frequency is in the Rs. 15,001 - Rs. 25,000 with 79 respondents, closely followed by Rs. 50,001 and above 75 individuals comprising of 21.4%). This is followed by a relatively even distribution among the other three categories, with the lowest income category Below Rs. 15,000 with 72 respondents comprising 20.6% having the smallest representation. This distribution could reflect economic conditions and income levels within the sample population.

Awareness on Corporate Governance

Awareness on corporate governance refers to the understanding and recognition of the principles, practices, and importance of corporate governance among stakeholders within and outside an organization. Understanding what corporate governance entails, including its definition, scope, and objectives. It encompasses the system by which companies are directed and controlled, including the mechanisms, processes, and relations used to oversee the operations and performance of the company.

Figure 4. 6

Awareness on Corporate Governance



Source: Field survey 2024

The figure 4.6 illustrates the level of awareness on corporate governance among a sample population. The highest frequency of individuals i.e. 81 comprising 23.1% have a "More Expert" level of awareness followed by Expert with 77 respondents comprising 22%. Similarly, 69 respondents have Very Little awareness on corporate governance and The lowest frequency (56) is in the "Somewhat Familiar" category. This chart provides insight into the awareness levels of corporate governance among a sample population. This distribution may reflect the education, training, or professional exposure to corporate governance within the sample population.

4.2 Individual Perception on Corporate Governance

Corporate governance refers to the systems, principles, and processes by which companies are directed and controlled. It involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government, and the community. Corporate governance provides the framework within which the company's objectives are set, and the means of attaining those objectives and monitoring performance.

Perception of Respondents on Discipline

Discipline refers to the practice of training people to obey rules or a code of behavior, using punishment to correct disobedience. It involves self-control, orderliness, efficiency,

and adherence to principles or guidelines that govern acceptable behavior. Discipline is a vital aspect of personal and social development. It involves training and enforcing rules to maintain order, encourage good behavior, and ensure safety and efficiency. By fostering self-control and accountability, discipline helps individuals achieve their goals and contributes to the overall well-being of society.

Table 4. 1

Perception of Respondents on Discipline

Statement	Minimum	Maximum	Mean	Standard Deviation
Company has issued a "mission statement" that explicitly places a priority on Good Corporate governance	1	5	3.886	0.935
Senior Management sticks to clearly defined core businesses, No diversification into an unrelated area in last 3 years.	1	5	4.031	0.896
Over the past 5 years, it is true that the company has not declared any warrants against trespassers.	1	5	3.994	0.930
Over the past 5 years, it is true that the company has not built up disciplinary action report.	1	5	3.911	1.007
Company's Annual Report includes a section devoted to the company's performance in implementing corporate governance principles	1	5	4.100	0.939
Average	1	5	3.985	0.636

Source: Field survey 2024

This table shows the minimum, maximum, mean and standard deviation of the respondents' perception regarding geographical coverage. The statement is measured in five point Likert scales: 1 as strongly disagree (SD), 2 as disagree (D), 3 as neutral (N), 4 as agree (A) and 5 as strongly agree (SA).

The table 4.1 describes about the perception of respondents regarding discipline. The table shows that most of the respondents agreed with the statement that Company has issued a "mission statement" that explicitly places a priority on Good Corporate governance with an average mean of 3.886 and standard deviation of 0.935. Similarly, majority of respondents believed that Senior Management sticks to clearly defined core businesses, No diversification into an unrelated area in last 3 years with average mean of 4.031 and standard deviation of 0.896. Regarding to the statement "Over the past 5 years, it is true that the company has not declared any warrants against trespassers.", the minimum and maximum values lies between 1 and 5 respectively with the average mean of 3.994 and standard deviation of 0.903. Similarly, majority of respondents believe that Over the past 5 years, it is true that the company has not built up disciplinary action report with average mean of 3.911 and standard deviation of 1.007. Moreover, the table also shows that majority of respondents agreed with the statements that Company's Annual Report includes a section devoted to the company's performance in implementing corporate governance principles with an average mean of 4.100 and standard deviation of 0.939.

The data reflects a generally positive perception of corporate governance among the respondents. Most means are close to 4, suggesting agreement with the statements provided. The standard deviations are relatively consistent, indicating a moderate level of agreement among respondents. Efforts to strengthen corporate governance can focus on maintaining and enhancing these practices to ensure continued alignment with best practices.

Perception of Respondents on Transparency

Transparency generally refers to openness, communication, and accountability in various contexts, such as government, business, organizations, or interpersonal relationships. It involves sharing information, decisions, and processes openly, without hidden agendas or secrets. Transparency fosters trust, encourages collaboration, and allows for informed decision-making by providing clarity and insight into how things operate. In essence, it's about being clear and honest about actions, intentions, and outcomes.

Table 4. 2*Perception of Respondents on Transparency*

Statement	Minimum	Maximum	Mean	Standard Deviation
Management has disclosed three or five-year performance report.	1	5	4.160	0.923
Public announcement of results are available have been no longer than two working days of board meeting	1	5	4.103	0.906
Company consistently discloses major and market sensitive Information punctually.	1	5	3.997	0.971
Good access implies accessibility soon after results are announced and timely meetings where analyst are given all relevant information and are not misled.	1	5	3.983	1.007
Company has an English language web-site where results and other announcements are updated promptly (no later than one business day).	1	5	4.034	0.933
Average	1	5	4.055	0.604

Source: Field survey 2024

This table shows the minimum, maximum, mean and standard deviation of the respondents' perception regarding transparency. The statement is measured in five point Likert scales: 1 as strongly disagree (SD), 2 as disagree (D), 3 as neutral (N), 4 as agree (A) and 5 as strongly agree (SA).

The table 4.2 describes about the perception of respondents regarding transparency. The table shows that most of the respondents agreed with the statement that Management has disclosed three or five-year performance report with an average mean of 4.160 and standard deviation of 0.923. Similarly, majority of respondents believed that Public announcement of results are available have been no longer than two working days of

board meeting with average mean of 4.103 and standard deviation of 0.906. Regarding to the statement “Company consistently discloses major and market sensitive Information punctually”, the minimum and maximum values lies between 1 and 5 respectively with the average mean of 3.997 and standard deviation of 0.971. Similarly, majority of respondents believe that Good access implies accessibility soon after results are announced and timely meetings where analyst are given all relevant information and are not misled with average mean of 3.983 and standard deviation of 1.007. Moreover, the table also shows that majority of respondents agreed with the statements that Company has an English language web-site where results and other announcements are updated promptly (no later than one business day) with an average mean of 4.055 and standard deviation of 0.933.

These scores represent the perceived level of transparency and disclosure practiced by the management or company, with higher scores indicating a higher level of transparency and lower scores indicating less transparency. The mean and standard deviation values provide insight into the average perception of transparency and the consistency of ratings among respondents, respectively. Overall, the table suggests that the company generally performs well in terms of transparency, as indicated by the high mean scores and relatively low standard deviations.

Perception of Respondents on Independence

Independence is the state or quality of being free from outside control, influence, or interference. It implies autonomy and the ability to make decisions, act, and govern oneself without being unduly influenced by others. Independence can manifest in various aspects of life, including personal, political, financial, professional, and organizational contexts. It is often associated with freedom, self-reliance, and the ability to determine one's own course of action.

Table 4. 3*Perception of Respondents on Independence*

Statement	Minimum	Maximum	Mean	Standard Deviation
The chairman is an independent, non-executive director.	1	5	3.943	0.985
Company has an executive or management committee which is substantially different from members of the board and not believed to be dominated by referrals.	1	5	4.055	0.992
Company has an audit committee. it is chaired by a perceived genuine independent director.	1	5	3.989	0.972
Company has a remuneration committee. It is chaired by a perceived genuine independent director	1	5	3.894	0.926
External auditors of the company are in other respects seen to be completely unrelated to the company	1	5	3.869	0.948
Average	1	5	3.949	0.609

Source: Field survey 2024

This table shows the minimum, maximum, mean and standard deviation of the respondents' perception regarding independence. The statement is measured in five point Likert scales: 1 as strongly disagree (SD), 2 as disagree (D), 3 as neutral (N), 4 as agree (A) and 5 as strongly agree (SA).

The table 4.3 describes about the perception of respondents regarding independence. The table shows that most of the respondents agreed with the statement that The chairman is an independent, non-executive director with an average mean of 3.943 and standard deviation of 0.985. Similarly, majority of respondents believed that Company has an executive or management committee which is substantially different from members of the board and not believed to be dominated by referrals with average mean of 4.055 and

standard deviation of 0.992. Regarding to the statement “Company has an audit committee. it is chaired by a perceived genuine independent director”, the minimum and maximum values lie between 1 and 5 respectively with the average mean of 3.989 and standard deviation of 0.972. Similarly, majority of respondents believe that Company has a remuneration committee. It is chaired by a perceived genuine independent director with average mean of 3.894 and standard deviation of 0.926. Moreover, the table also shows that majority of respondents agreed with the statements that External auditors of the company are in other respects seen to be completely unrelated to the company with an average mean of 3.869 and standard deviation of 0.948.

The mean score indicates the average perception of independence for each aspect, while the standard deviation shows the variability or dispersion of ratings around the mean. Overall, the data suggests relatively positive perceptions of independence within the company's governance structures, with some variability in ratings across different aspects.

Perception of Respondents on Accountability

Accountability refers to the obligation or responsibility to accept the consequences of one's actions or decisions. It involves being answerable for one's actions, behaviors, and performance, particularly in roles of authority, leadership, or trust. In essence, accountability fosters trust, integrity, and ethical behavior by ensuring that individuals and organizations are held to standards of conduct and performance, and that they are held responsible for fulfilling their duties and meeting expectations.

Table 4. 4*Perception of Respondents on Accountability*

Statement	Minimum	Maximum	Mean	S. D
The board members and members of the executive/management committee substantially different. (i.e. no more than half of one committee sits on the other.)	1	5	3.97	0.985
There are any foreign nationals on the board	1	5	3.940	0.989
Full board meetings are held at least once a quarter	1	5	3.943	0.979
Audit committee nominates and conducts a proper review the work of external auditors.	1	5	4.037	0.903
The audit committee supervises internal audit and accounting procedures.	1	5	4.140	0.939
Average	1	5	4.007	0.664

Source: Field survey 2024

This table shows the minimum, maximum, mean and standard deviation of the respondents' perception regarding accountability. The statement is measured in five point Likert scales: 1 as strongly disagree (SD), 2 as disagree (D), 3 as neutral (N), 4 as agree (A) and 5 as strongly agree (SA).

The table 4.4 describes about the perception of respondents regarding accountability. The table shows that most of the respondents agreed with the statement that The board members and members of the executive/management committee substantially different. (i.e. no more than half of one committee sits on the other.) with an average mean of 3.97 and standard deviation of 0.985. Similarly, majority of respondents believed that There are any foreign nationals on the board with average mean of 3.940 and standard deviation of 0.989. Regarding to the statement “Full board meetings are held at least once a quarter”, the minimum and maximum values lie between 1 and 5 respectively with the

average mean of 3.943 and standard deviation of 0.979. Similarly, majority of respondents believe that Audit committee nominates and conducts a proper review the work of external auditors with average mean of 4.037 and standard deviation of 0.903. Moreover, the table also shows that majority of respondents agreed with the statements that The audit committee supervises internal audit and accounting procedures with an average mean of 4.140 and standard deviation of 0.939.

Overall, the table provides insights into how various aspects of accountability and governance are perceived within the company or organization. The mean scores offer a general assessment of the perceived level of compliance or satisfaction, while the standard deviations indicate the degree of consensus or divergence in respondents' opinions.

Perception of Respondents on Responsibility

Responsibility generally refers to the duty or obligation to carry out a task or fulfill one's role or obligations in a particular situation. It involves being accountable for one's actions, decisions, and their consequences. Responsibility can be both personal, pertaining to an individual's obligations and duties, and collective, involving shared duties within a group, organization, or society. It encompasses elements such as reliability, integrity, and accountability. Taking responsibility often implies taking ownership of one's actions and their outcomes, whether positive or negative, and being willing to face the consequences.

Table 4. 5*Perception of Respondents on Responsibility*

Statement	Minimum	Maximum	Mean	S. D
There is any corrective action on the decision made by board on their favor at the expense of management.	1	5	3.949	0.986
Over the past five years, there were open business failures or misbehavior; responsible persons were appropriately and voluntarily punished.	1	5	4.023	0.933
There is mechanism to allow punishment of the management committee in the event of mismanagement.	1	5	4.026	0.928
There are mechanisms to allow punishment of the executive/management committee in the event of mismanagement.	1	5	4.023	0.972
There were any questions over whether the board takes measures to safeguard the interest of all and not just one.	1	5	3.966	0.959
Average	1	5	3.997	0.608

Source: Field survey 2024

This table shows the minimum, maximum, mean and standard deviation of the respondents' perception regarding responsibility. The statement is measured in five point Likert scales: 1 as strongly disagree (SD), 2 as disagree (D), 3 as neutral (N), 4 as agree (A) and 5 as strongly agree (SA).

The table 4.5 describes about the perception of respondents regarding responsibility. The table shows that most of the respondents agreed with the statement that There is any corrective action on the decision made by board on their favor at the expense of management with an average mean of 3.949 and standard deviation of 0.986. Similarly, majority of respondents believed that Over the past five years, there were open business

failures or misbehavior; responsible persons were appropriately and voluntarily punished with average mean of 4.023 and standard deviation of 0.933. Regarding to the statement “There is mechanism to allow punishment of the management committee in the event of mismanagement”, the minimum and maximum values lie between 1 and 5 respectively with the average mean of 4.026 and standard deviation of 0.928. Similarly, majority of respondents believe that There are mechanisms to allow punishment of the executive/management committee in the event of mismanagement with average mean of 4.023 and standard deviation of 0.972. Moreover, the table also shows that majority of respondents agreed with the statements that There were any questions over whether the board takes measures to safeguard the interest of all and not just one with an average mean of 3.966 and standard deviation of 0.959.

Overall, the average score across all statements indicates a generally positive perception of governance and accountability within the organization, though there may be some areas where improvement could be considered, especially in ensuring that decisions are made in the best interests of all stakeholders.

Perception of Respondents on Fairness

Fairness refers to the quality of being just, impartial, and reasonable in one's actions, decisions, or treatment of others. It involves treating all individuals equitably and without bias, considering their rights, needs, and circumstances. Fairness implies adherence to principles of justice and equality, ensuring that everyone has an equal opportunity and receives fair treatment regardless of factors such as race, gender, religion, socioeconomic status, or personal connections.

Table 4. 6*Perception of Respondents on Fairness*

Statement	Minimum	Maximum	Mean	S. D
All the employees have the access to their appraisal record	1	5	4.046	0.862
Criticism/suggestions methods are easily available to all stake holders / employees	1	5	4.080	0.856
All necessary information for appraisal criteria are made available prior to evaluation	1	5	3.931	1.002
It is true that there have been no questions or perceived controversy over whether the company has issued transparency report or not.	1	5	4.040	0.917
The head of department report to either CEO or board member concerned to employee's equality.	1	5	4.169	0.781
Average	1	5	4.053	0.4976

Source: Field survey 2024

This table shows the minimum, maximum, mean and standard deviation of the respondents' perception regarding fairness. The statement is measured in five point Likert scales: 1 as strongly disagree (SD), 2 as disagree (D), 3 as neutral (N), 4 as agree (A) and 5 as strongly agree (SA).

The table 4.6 describes about the perception of respondents regarding fairness. The table shows that most of the respondents agreed with the statement that All the employees have the access to their appraisal record with an average mean of 4.046 and standard deviation of 0.862. Similarly, majority of respondents believed that Criticism/suggestions methods are easily available to all stake holders / employees with average mean of 4.080 and standard deviation of 0.856. Regarding to the statement "All necessary information for appraisal criteria are made available prior to evaluation", the minimum and maximum values lie between 1 and 5 respectively with the average mean of 3.931 and standard

deviation of 1.002. Similarly, majority of respondents believe that It is true that there have been no questions or perceived controversy over whether the company has issued transparency report or not with average mean of 4.040 and standard deviation of 0.971. Moreover, the table also shows that majority of respondents agreed with the statements that The head of department report to either CEO or board member concerned to employee 's equality with an average mean of 4.169 and standard deviation of 0.781.

Overall, with an average score of 4.053 across all statements, the table suggests a generally positive perception of organizational processes, communication, and transparency among respondents. Overall, the table provides insights into how respondents perceive various aspects of organizational processes, communication, or practices, based on their evaluations of the provided statements.

Perception of Respondents on Social Awareness

Social awareness refers to the ability to understand and empathize with the perspectives, needs, and experiences of others within society. It involves being mindful of social dynamics, cultural diversity, and the broader social issues that impact individuals and communities. Socially aware individuals demonstrate sensitivity, compassion, and a willingness to engage with and support others, particularly those who may be marginalized or disadvantaged.

Figure 4. 7*Perception of Respondents on Social Awareness*

Statement	Minimum	Maximum	Mean	S. D
Company has a policy/culture that prohibits the employment of the under-aged.	1	5	4.197	0.771
Company has an explicit equal employment policy.	1	5	4.089	0.883
Company is explicitly environmentally conscious.	1	5	4.060	0.902
Company has an explicit (clearly worded) public policy statement that emphasizes strict ethical behavior: i.e. one that looks at the spirit and not just the letter of the law.	1	5	4.137	0.866
The firm's social awareness initiatives contribute to its overall reputation in the industry	1	5	4.180	0.829
Average	1	5	4.133	0.4778

Source: Field survey 2024

This table shows the minimum, maximum, mean and standard deviation of the respondents' perception regarding Social Awareness. The statement is measured in five point Likert scales: 1 as strongly disagree (SD), 2 as disagree (D), 3 as neutral (N), 4 as agree (A) and 5 as strongly agree (SA).

The table 4.7 describes about the perception of respondents regarding social awareness. The table shows that most of the respondents agreed with the statement that Company has a policy/culture that prohibits the employment of the under-aged with an average mean of 4.197 and standard deviation of 0.8771. Similarly, majority of respondents believed that Company has an explicit equal employment policy employee with average mean of 4.089 and standard deviation of 0.883. Regarding to the statement “Company is explicitly environmentally conscious”, the minimum and maximum values lie between 1 and 5 respectively with the average mean of 4.060 and standard deviation of 0.902. Similarly,

majority of respondents believe that Company has an explicit (clearly worded) public policy statement that emphasizes strict ethical behavior: i.e. one that looks at the spirit and not just the letter of the law with average mean of 4.137 and standard deviation of 0.866. Moreover, the table also shows that majority of respondents agreed with the statements that The firm's social awareness initiatives contribute to its overall reputation in the industry with an average mean of 4.180 and standard deviation of 0.829.

Overall, the average score across all statements is 4.133, indicating a consistently positive perception of the company's policies and social awareness initiatives among respondents, with relatively low variability in opinions across most statements.

Perception of Respondents on Firms Reputation

A firm's reputation refers to the collective perceptions, beliefs, and opinions held by various stakeholders, including customers, employees, investors, suppliers, and the public, regarding the company's character, credibility, and performance. A positive reputation can enhance a firm's competitiveness, attract and retain customers and talent, strengthen relationships with stakeholders, and create opportunities for growth and expansion. Conversely, a negative reputation can lead to distrust, loss of customers and investors, regulatory scrutiny, and damage to the firm's brand and long-term viability.

Table 4. 7

Perception of Respondents on Firm's Reputation

Statement	Minimum	Maximum	Mean	S. D
I have a good feeling about this company	1	5	3.971	0.963
My company recognize and takes advantage of market opportunities	1	5	4.054	0.879
My company maintains high standards in the way its treats People	1	5	4.077	0.868
My company looks like with strong prospects for the future growth.	1	5	3.923	1.014
My company maintains high standards in the way its treats People	1	5	3.971	0.963
Average	1	5	4.020	0.578

Source: Field survey 2024

This table shows the minimum, maximum, mean and standard deviation of the respondents' perception regarding firm's reputation. The statement is measured in five point Likert scales: 1 as strongly disagree (SD), 2 as disagree (D), 3 as neutral (N), 4 as agree (A) and 5 as strongly agree (SA).

The table 4.8 describes about the perception of respondents regarding firm's reputation. The table shows that most of the respondents agreed with the statement that I have a good feeling about this company with an average mean of 3.971 and standard deviation of 0.963. Similarly, majority of respondents believed that My company recognize and takes advantage of market opportunities with average mean of 4.054 and standard deviation of 0.879. Regarding to the statement "My company maintains high standards in the way its treats People", the minimum and maximum values lie between 1 and 5 respectively with the average mean of 4.077 and standard deviation of 0.868. Similarly, majority of respondents believe that My company looks like with strong prospects for the future growth with average mean of 3.923 and standard deviation of 1.014. Moreover, the table also shows that majority of respondents agreed with the statements that My company maintains high standards in the way its treats People with an average mean of 3.971 and standard deviation of 0.963.

Overall, the average score across all statements is 4.020, indicating a generally positive perception of the company among respondents, with some variability in opinions across different aspects. The variability, especially in feelings about the company and prospects for future growth, suggests that opinions are more varied in these areas compared to others.

4.3 Correlation Analysis

Correlation is a term that refers to the strength of a relationship between two variables. It helps to measure the strength of a linear relationship between quantitative variables. A strong or high correlation means that two or more variables have strong relationship with each other, while a weak or low correlation means that the variables are hardly related. The correlation coefficient is measured on a scale that varies from + 1 through 0 to - 1. A complete correlation between two variables is expressed by either +1 or -1. When one variable increases as the other increases, the correlation is positive; when one decreases as the other increases, it is negative. The complete absence of correlation is represented by 0.

Table 4. 8*Correlation Analysis*

	FR	DIS	TRS	IND	ACC	RES	FAR	SA
FR	1							
DIS	0.046 0.388	1						
TRS	0.066 0.22	.348** 0.00	1					
IND	.168** 0.002	.213** 0.00	.326** 0.00	1				
ACC	0.003 0.95	.136* 0.011	.113* 0.035	.327** 0.00	1			
RES	.201** 0.00	0.08 0.135	.315** 0.00	.340** 0.00	.236** 0.00	1		
FAR	0.097 0.07	.233** 0.00	-0.04 0.461	-0.025 0.641	.108* 0.044	0.061 0.252	1	
SA	.180** 0.001	0.028 0.603	.232** 0.00	0.101 0.059	0.079 0.14	.176** 0.001	0.072 0.179	1

Note. This table presents Kendall's Tau correlation coefficients between dependent variable and independent variables. The correlation coefficients are based on 350 observations. The dependent variable is FR (Firms Reputation) and the independent variable are Discipline (DIS), Transparency (TRS), Independence (IND), Accountability (ACC), Responsibility (RES), Fairness (FAR) and Social Awareness (SA). '*' sign indicates statistically significant at 5 percent level and '**' sign indicates statistically significant at 1 percent level.

The table 4.9 shows that discipline has positive but insignificant relationship with the firm's reputation since its coefficient is 0.046. Similarly, the coefficient of transparency is 0.066. It means that transparency has positive but insignificant relationship with the firm's reputation. The coefficient of independence is 0.168. It means that independence has positive and significant relationship between independence and firm's reputation.

The table also shows that the coefficient of accountability is 0.003. It means that there is positive and insignificant relationship of accountability with firm's responsibility. Likewise, the coefficient of responsibility is 0.201. It means that there is positive and significant relationship of responsibility with firm's reputation. In addition, the coefficient of fairness is 0.097. It means that there is positive but insignificant relationship of fairness with firm's reputation. Moreover, the coefficient of social awareness is 0.180. It means that there is positive and significant relationship between social awareness and firm's reputation.

4.4 Model Summary

The model summary table reports the strength of the relationship between the model and the dependent variable. R, the multiple correlation coefficient, is the linear correlation between the observed and model-predicted values of the dependent variable. Its large value indicates a strong relationship.

Table 4. 10

Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	.314 ^a	.399	.680	.55457

Model summary indicates the R- square also known as coefficient of determination which can help in explaining variance. The value of R-square value as evident from Table 4.9 is 0.399 which means 39.9 % variation in Firm's reputation is explained by the independent variables. However, the remaining 60.1 % is still unexplained in this research. In other words, there are other additional variables of corporate governance that are important in explaining Corporate Governances that have not been considered in this research.

Similarly, adjusted R-square is 0.680 which means 68.0% variation in firm's reputation is explained by the independents variables after adjusting degree of freedom (df). This shows moderate relationship between all variables of corporate governance and firm's reputation. Model summary also indicates the standard error of the estimate of 0.554 which shows the variability of the observed value of Perceived organizational success from regression line is 0.5545 units.

4.5 ANOVA

ANOVA, or Analysis of Variance, is a test used to determine differences between research results from three or more unrelated samples or groups.

Table 4. 11

ANOVA Analysis

Model	Sum of Square	df	Mean Square	F	Sig
Regression	11.518	7	1.645	5.350	.000 ^b
Residual	105.182	342	.308		
Total	116.700	349			

Based on ANOVA, the p-value is 0.000 which is lesser than alpha value 0.01. Therefore, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (transparency, responsibility, discipline, fairness, accountability social awareness, independence) are significant in explaining the variance in Firm's reputation. In other words, at least one of the 7 independent variables has important contribution to Firm's reputation.

4.6 Regression Analysis

The regression coefficients are a statically measure which is used to measure the average functional relationship between variables. In regression analysis, one variable is dependent and other is independent. Also, it measures the degree of dependence of one variable on the other(s).

Table 4. 12

Regression Analysis

Coefficients	Unstandardized Coefficients		Standardized coefficients Beta	t	Sig
	B	Std. Error			
Constant	3.001	.416		7.207	.000
Discipline	.067	.052	.074	1.282	.201
Transparency	.090	.058	.094	1.549	.122
Independence	.124	.056	.130	5.208	.000
Accountability	.076	.048	.087	1.576	.116
Responsibility	.169	.054	.178	3.109	.002
Fairness	.149	.063	.129	2.377	.018
Social awareness	.208	.065	.172	3.212	.001

Note. This table presents coefficients between dependent variable and independent variables. The correlation coefficients are based on 350 observations. The dependent variable is FR (Firms Reputation) and the independent variable are Discipline (DIS), Transparency (TRS), Independence (IND), Accountability (ACC), Responsibility (RES), Fairness (FAR) and Social Awareness (SA). ‘*’ sign indicates statistically significant at 5 percent level and ‘**’ sign indicates statistically significant at 1 percent level.

This table 4.10 determines which independent variable explains variability in the outcome, how much variability in dependent variable is explained by independent variables and dependent variable, and which variables are significant (over other variables) in explaining the variability of the dependent variable. Multiple regressions were used to explore the impact of independent variables (transparency, Independence, Accountability, Fairness, Social awareness, Discipline, Responsibility,) on dependent variable firms’ reputation. The table shows that the beta coefficient of discipline is 0.067. It means that there is positive impact of discipline on firm’s reputation. With the increase in discipline among employees, the reputation of the firm will also increase. Similarly, the table also shows that the beta coefficient of transparency is 0.090 which means there is positive impact of transparency on firm’s reputation which means higher the increase in transparency, higher will be the firm’s reputation. Likewise, the table also shows that the beta coefficient of independence is 0.124. it means that there is positive impact of independence on firm’s reputation.

The table shows that the beta coefficient of accountability is 0.076. It means that there is positive impact of accountability on firm’s reputation. With the increase in accountability among employees, the reputation of the firm will also increase. Similarly, the table also shows that the beta coefficient of Responsibility is 0.169 which means there is positive impact of Responsibility on firm’s reputation which means higher the increase in transparency, higher will be the firm’s reputation. Likewise, the table also shows that the beta coefficient of Fairness is 0.149. it means that there is positive impact of Fairness on firm’s reputation. Moreover, the table also shows that the beta coefficient of Social awareness is 0.149. it means that there is positive impact of Social awareness on firm’s reputation.

4.7 Summary of Hypothesis

Table 4. 9

Summary of Hypothesis

Variables	Significance level	Decision
Discipline	.201	Rejected
Transparency	.122	Rejected
Independence	.000	Accepted
Accountability	.116	Rejected
Responsibility	.002	Accepted
Fairness	.018	Accepted
Social awareness	.001	Accepted

H₁: There is significant impact of discipline on firm's reputation

As shown in Table 4.13, discipline provides significant contribution to the firm's reputation with p-value 0.201 which is more than level of significance (α) = 0.05, thus H₁ is not supported. Therefore, it is concluded that there is no significant relationship between discipline and firm's reputation.

H₂: There is significant impact of transparency on firm's reputation

As shown in Table 4.13, transparency provides significant contribution to the firm's reputation with p-value 0.122 which is more than level of significance (α) = 0.05, thus H₂ is not supported. Therefore, it is concluded that there is no significant relationship between transparency and firm's reputation.

H₃: There is significant impact of independence on firm's reputation

As shown in Table 4.13, independence provides significant contribution to the firm's reputation with p-value 0.00 which is less than level of significance (α) = 0.05, thus H₃ is supported. Therefore, it is concluded that there is significant relationship between independence and firm's reputation.

H₄: There is significant impact of accountability on firm's reputation

As shown in Table 4.13, accountability provides significant contribution to the firm's reputation with p-value 0.116 which is more than level of significance (α) = 0.05, thus H₄ is not supported. Therefore, it is concluded that there is no significant relationship between accountability and firm's reputation.

H₅: There is significant impact of responsibility on firm's reputation

As shown in Table 4.13, responsibility provides significant contribution to the firm's reputation with p-value 0.002 which is less than level of significance (α) = 0.05, thus H₅ is supported. Therefore, it is concluded that there is significant relationship between responsibility and firm's reputation.

H₆: There is significant impact of fairness on firm's reputation

As shown in Table 4.13, fairness provides significant contribution to the firm's reputation with p-value 0.018 which is less than level of significance (α) = 0.05, thus H₆ is supported. Therefore, it is concluded that there is significant relationship between fairness and firm's reputation.

H₇: There is significant impact of social awareness on firm's reputation

As shown in Table 4.13, social awareness provides significant contribution to the firm's reputation with p-value 0.001 which is less than level of significance (α) = 0.05, thus H₇ is supported. Therefore, it is concluded that there is significant relationship between social awareness and firm's reputation.

4.8 Discussion

The major objective of the study is to find out the relationship of corporate governance on firm's reputation. To some extent, the specific of the studies are to examine the relationship of corporate governance on firm's reputation, to assess the impact of discipline, transparency, independence, accountability, responsibility, fairness and social awareness on firm's reputation and to examine the relationship of discipline, transparency, independence, accountability, responsibility, fairness and social awareness on firm's reputation. This study adopts a descriptive and causal research design to describe the characteristics of the variables used in this study with a clearly phrased structured questionnaire to communicate with participants and avoid misunderstandings. The sample size of the study is 350 respondents. The convenience sampling method was used to determine the samples. Descriptive, correlation and regression methods of analysis are used in the study. The data are analyzed by using Statistical Package for Social Science (SPSS). The descriptive statistics include mean, standard deviations; minimum and maximum values of the variables are used to describe the characteristics of respondents.

The study shows that discipline among employees plays a crucial role in enhancing a firm's reputation by fostering a culture of reliability, quality, and ethical behavior which is similar with findings of (Hasibuan, 2012). Disciplined employees are more likely to adhere to established protocols, ensuring consistent and high-quality output, which directly influences customer satisfaction and trust. Moreover, the study shows that disciplined workforce is less prone to misconduct, thereby minimizing risks of scandals and maintaining the firm's ethical standards, which are critical in shaping public perception. This finding is consistent with the findings of Koopmans et al, 2014). Similarly, the study also shows that transparency among employees significantly enhances a firm's reputation by building trust, fostering accountability, and promoting ethical behavior. When employees operate transparently, they are open about processes, decisions, and potential issues, which reassures stakeholders about the integrity and reliability of the firm. This finding is similar with finding of (Braadbaart 2007).

Similarly, the study shows that independence among employees enhances a firm's reputation by fostering innovation, accountability, and job satisfaction. When employees are given the autonomy to make decisions and manage their tasks, they are more likely to take ownership of their work, leading to higher quality outcomes and greater innovation. This finding is consistent with the findings of Al-Hadrami, Rafiki, and Sarea, (2020) and Krishnan (2005) and Additionally, the study found that independent employees often exhibit greater job satisfaction and motivation, resulting in lower turnover rates and a more stable workforce. Similarly, the study shows that accountability among employees significantly enhances a firm's reputation by ensuring reliability, integrity, and high performance standards which is similar with finding of (Thomsen, 2004). When employees are accountable, they take responsibility for their actions and outcomes, which leads to more consistent and dependable work. Additionally, accountability fosters a culture of integrity, as employees who are held responsible for their actions are less likely to engage in unethical behavior. Which is similar with finding of (Luo, 2005).

Similarly, the study found that responsibility among employees enhances a firm's reputation by promoting reliability, ethical behavior, and customer satisfaction. When employees take responsibility for their roles and actions, they ensure that tasks are completed efficiently and effectively, which leads to consistent and high-quality outputs. This finding is similar with findings of (Young & Thyil, 2008) and (Weigelt & Camerer,

1988). The study shows that fairness among employees significantly enhances a firm's reputation by fostering a positive work environment, encouraging ethical behavior, and building trust with stakeholders. This positive work culture translates into higher productivity and better quality of work, which directly benefits customers and other stakeholders. Furthermore, a commitment to fairness signals that the firm values ethical behavior and justice, reducing instances of discrimination, bias, and conflicts. This finding is similar with findings of (Kitchen & Laurence, 2003; Dowling, 2004). Social awareness among employees significantly enhances a firm's reputation by fostering ethical behavior, community engagement, and positive stakeholder relationships. When employees are socially aware, they are more attuned to the impact of their actions on the community and the environment, leading to more responsible and sustainable business practices. This finding is consistent with findings of Claessens and Yurtoglu (2013) and (Bose et al., 2018; Csedo, 2023).

CHAPTER IV

SUMMARY AND CONCLUSION

This chapter provides brief summary of the entire study and highlights the major findings of the study. In addition, major conclusions are discussed in separate section of this chapter which is followed by the recommendations based upon the study findings regarding the Relationship of Corporate Governance on Firms Reputation. Finally, this chapter ends with the short paragraph on scope for future research in same topic.

5.1 Summary

Corporate reputation is a company's most valuable asset. It is a reflection of the company's past performance that sends signals about its possible future performance. It is a logical outcome, among others, of corporate governance effectiveness and corporate social responsibility initiatives that fulfil stakeholder needs. Corporate governance practices are essential to achieving and maintaining the public trust and confidence in the banking system, as a result they are critical to the proper functioning of the banking sector and economy as a whole. However, little attention was given to corporate governance of banking sector especially in developing economies.

The major objective of the study is to find out the impact of corporate governance on firm's reputation. To some extent, the specific of the studies are to examine the relationship of corporate governance on firm's reputation, to assess the impact of discipline, transparency, independence, accountability, responsibility, fairness and social awareness on firm's reputation and to examine the relationship of discipline, transparency, independence, accountability, responsibility, fairness and social awareness on firm's reputation. This study adopts a descriptive and causal research design to describe the characteristics of the variables used in this study with a clearly phrased structured questionnaire to communicate with participants and avoid misunderstandings. The sample size of the study is 350 respondents. The convenience sampling method was used to determine the samples. Descriptive, correlation and regression methods of analysis are used in the study. The data are analyzed by using Statistical Package for Social Science (SPSS). The descriptive statistics include mean, standard deviations;

minimum and maximum values of the variables are used to describe the characteristics of respondents.

Regarding to gender of the respondents, the conclusion that can be drawn from the study is that there is a higher proportion of females (60.9%) compared to males (39.1%) in the dataset. Similarly, largest age group in the study is the 20-29-year group, with 108 individuals, comprising 30.9% of the total. The age groups 30-39 years and 40-49 years both have an equal frequency of 72, each making up 20.6% of the total. The smallest age group is 50 and above, with 43 individuals, accounting for 12.3%. This indicates that the dataset has a relatively younger population, with a significant number of individuals in their 20s.

The conclusion that can be drawn from the study is that the majority of the individuals in the dataset are unmarried (59.4%), while a smaller proportion are married (40.6%). This indicates that there is a higher prevalence of unmarried individuals in the population studied. Similarly, highest frequency of individuals (about 140 comprising of 40.3%) have a Bachelor Degree. Similarly, about 130 i.e. 39.1% of respondents have Master Degree or Above followed by education up to Intermediate with 20.6%. The study suggests that a significant proportion of the population holds a Bachelor Degree, followed by those with a Master Degree or Above. The smallest group consists of individuals with education up to Intermediate level.

Similarly, the study suggests that the majority of the population earns between Rs. 25,001 and Rs. 50,000 monthly with 124 respondents comprising 35.4%. The second highest frequency is in the Rs. 15,001 - Rs. 25,000 with 79 respondents, closely followed by Rs. 50,001 and above 75 individuals comprising of 21.4%). This is followed by a relatively even distribution among the other three categories, with the lowest income category Below Rs. 15,000 with 72 respondents comprising 20.6% having the smallest representation. This distribution could reflect economic conditions and income levels within the sample population.

The study concludes that the level of awareness on corporate governance among a sample population. The highest frequency of individuals i.e. 81 comprising 23.1% have a "More Expert" level of awareness followed by Expert with 77 respondents comprising 22%.

Similarly, 69 respondents have Very Little awareness on corporate governance and The lowest frequency (56) is in the "Somewhat Familiar" category. This distribution may reflect the education, training, or professional exposure to corporate governance within the sample population.

Regarding the transparency of the study, the mean and standard deviation values provide insight into the average perception of transparency and the consistency of ratings among respondents, respectively. Overall, the table suggests that the company generally performs well in terms of transparency, as indicated by the high mean scores and relatively low standard deviations. Similarly, mean score of independence suggests that relatively positive perceptions of independence within the company's governance structures, with some variability in ratings across different aspects.

The study shows that discipline has positive but insignificant relationship with the firm's reputation since its coefficient is 0.046. Similarly, the coefficient of transparency is 0.066. It means that transparency has positive but insignificant relationship with the firm's reputation. The coefficient of independence is 0.168. It means that independence has positive and significant relationship between independence and firm's reputation.

The study also shows that the coefficient of accountability is 0.003. It means that there is positive and insignificant relationship of accountability with firm's responsibility. Likewise, the coefficient of responsibility is 0.201. It means that there is positive and significant relationship of responsibility with firm's reputation. In addition, the coefficient of fairness is 0.097. It means that there is positive but insignificant relationship of fairness with firm's reputation. Moreover, the coefficient of social awareness is 0.180. It means that there is positive and significant relationship between social awareness and firm's reputation.

The study shows that the beta coefficient of discipline is 0.067. It means that there is positive impact of discipline on firm's reputation. Similarly, the study also shows that the beta coefficient of transparency is 0.090 which means there is positive impact of transparency on firm's reputation which means higher the increase in transparency, higher will be the firm's reputation. Likewise, the study also shows that the beta coefficient of independence is 0.124. It means that there is positive impact of independence on firm's

reputation. The study shows that the beta coefficient of accountability is 0.076. It means that there is positive impact of accountability on firm's reputation. Similarly, the table also shows that the beta coefficient of Responsibility is 0.169 which means there is positive impact of Responsibility on firm's reputation. Likewise, the table also shows that the beta coefficient of Fairness is 0.149. Moreover, the table also shows that the beta coefficient of Social awareness is 0.149. it means that there is positive impact of Social awareness on firm's reputation.

The value of R-square value as evident from the study is 0.399 which means 39.9 % variation in Firm's reputation is explained by the independent variables. However, the remaining 60.1 % is still unexplained in this research. In other words, there are other additional variables of corporate governance that are important in explaining Corporate Governances that have not been considered in this research. Similarly, adjusted R-square is 0.680 which means 68.0% variation in firm's reputation is explained by the independents variables after adjusting degree of freedom (df). This shows moderate relationship between all variables of corporate governance and firm's reputation. Model summary also indicates the standard error of the estimate of 0.554 which shows the variability of the observed value of Perceived organizational success from regression line is 0.5545 units.

Based on ANOVA, the p-value is 0.000 which is lesser than alpha value 0.01. Therefore, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (transparency, responsibility, discipline, fairness, accountability social awareness, independence) are significant in explaining the variance in Firm's reputation. In other words, at least one of the 7 independent variables has important contribution to Firm's reputation.

5.2 Conclusion

Corporate governance is a critical factor in shaping a firm's reputation. Conversely, failures in governance can result in significant reputational damage, emphasizing the importance of robust governance frameworks for long-term success and sustainability. Corporate governance significantly influences a firm's reputation. This relationship is multi-faceted, involving numerous stakeholders and various dimensions of business operations.

From the research high level of independence and responsibility in recognizing the role of corporate governance and the significance of integration of corporate governance into corporate strategy Companies do fully understand that better corporate governance is a condition for corporate reputation development. Companies do completely understand the nature and significance of corporate reputation and its key role in the achieving sustainable competitive advantage. The role of corporate reputation should be of the utmost importance in increasing the numbers of investors. Though the majority of companies and consumers share the opinion that companies are liable to disclose their internal corporate information to public, the independence, responsibility & social awareness has strong governance control are recognized as significant factors in corporate reputation.

To its advocate, the role of corporate governance in firm's reputation is vital and integral to ensure the accomplishment. Analysis of study tells that the corporate governance has different impact on firm's reputation. Independence, responsibility, social awareness and fairness play a stronger role in making firm's reputation. According to this study these four variables significantly contribute in creating good corporate governance in the commercial bank.

The study demonstrates that corporate governance is integral to a firm's reputation. The benefits of strong governance extend beyond compliance and risk management, permeating every aspect of stakeholder relationships and financial performance. Firms that adopt and maintain high standards of corporate governance are better equipped to build and sustain a positive reputation, ultimately driving long-term success and stakeholder value. Conversely, lapses in governance can lead to significant reputational damage, underscoring the critical importance of governance in corporate strategy and operations. This analysis reaffirms that robust corporate governance is not merely a regulatory requirement but a strategic asset essential for achieving and maintaining a stellar reputation in the competitive business landscape.

5.3 Recommendation

Based on the research findings of this study, the following recommendations are prescribed to serve as a guideline for future research work of similar nature, apart from improving on the aspect of corporate governance. According to the interpretations of the

study propose that policy makers should focus more on Independence, responsibility, social awareness and fairness too. Strategy makers should also focus on discipline in organization, responsibility of workers, fairness in record keeping and in selection criteria. Generally, top management should take attention toward corporate governance in return to gain customers delighters which insure the overall firm's reputation.

- Companies should foster collaborative relationships with stakeholders, ensuring that their voices are heard and their interests considered in decision-making processes.
- Accountability in governance ensures that management is answerable to stakeholders for their actions and decisions. So, company should establish clear accountability mechanisms, including regular performance reviews and transparent reporting structures, to ensure management actions are aligned with stakeholder interests.
- Fair treatment of all stakeholders, including equitable treatment of shareholders and fair labor practices, enhances the firm's reputation as a just and ethical entity.
- A firm's commitment to social responsibility and awareness of its impact on society and the environment positively influences its reputation. Companies seen as socially responsible attract positive attention and support from the public and other stakeholders.
- Strong governance frameworks can help firms mitigate various risks, including financial, operational, and reputational risks. Effective governance can prevent scandals and unethical practices that could damage the firm's reputation
- Disciplined governance, characterized by adherence to best practices and regulatory compliance, fosters a reputation of reliability and operational excellence. So, company should establish and maintain rigorous internal controls and compliance programs to ensure that the firm adheres to all regulatory requirements and industry standards.
- Increasing transparency through regular, comprehensive disclosures can build stakeholder trust. Firms should provide clear information about their governance practices, financial performance, risk management, and corporate social responsibility initiatives
- Firms that demonstrate responsibility are seen as trustworthy and dependable, enhancing their overall reputation. So, company should Promote a culture of

responsibility within the organization by setting clear ethical guidelines and ensuring that all employees and management are aware of and adhere to these standards.

- Good corporate governance practices can bolster stakeholder confidence, enhancing the firm's reputation. Stakeholders, including investors, employees, customers, and the community, are likely to trust companies that demonstrate accountability, transparency, and ethical behavior.
- Actively engaging with stakeholders can enhance a firm's reputation. Regular communication, feedback mechanisms, and demonstrating responsiveness to stakeholder concerns can strengthen relationships and trust.

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ANNEX

This questionnaire is aimed to obtain information on the impact of corporate governance on firm's reputation. You will be contributing resourcefully to the success of this research by providing objective answers to this questionnaire. The research is being conducted for academic purpose, you are, therefore, assured that the information you give will be treated confidential.

Nirmala Regmi

Section 1: Demography of Respondents

Please tick (√) according to the answers in the boxes that best represents you.

1. Gender

Male Female Others

2. Age gap (in years)

Less than 20 years 20-29 30-39 40-49 50 and above

3. Marital Status

Married Unmarried Others

4. Education Level

Up to intermediate Bachelor Degree Master Degree or Above

5. Average monthly income (In NRS)

Below Rs. 15,000 Rs. 15,001-Rs. 25,000 Rs. 25,001- Rs. 50,000
Rs. 50,001 and above

6. How aware are you on corporate governance?

Very little Somewhat familiar Familiar Expert
 More expert

Section 2: Perception of respondents

(Please put a tick mark (√) in appropriate box in following statements indicating how strongly you agree or disagree to the statement representing 5 for strongly agree (SA), 4 for agree (A), 3 for neutral (N), 2 for disagree (D) and 1 for strongly disagree (SD))

Discipline

S.N	Statement	1	2	3	4	5
1)	Company has issued a "mission statement" that explicitly places a priority on Good Corporate governance					
2)	Senior Management sticks to clearly defined core businesses, No diversification into an unrelated area in last 3 years.					
3)	Over the past 5 years, it is true that the company has not declared any warrants against trespassers.					
4)	Over the past 5 years, it is true that the company has not built up disciplinary action report.					
5)	Company's Annual Report includes a section devoted to the company's performance in implementing corporate governance principles					

Transparency

S.N	Statement	1	2	3	4	5
1)	Management has disclosed three or five-year performance report.					
2)	Public announcement of results are available have been no longer than two working days of board meeting					
3)	Company consistently discloses major and market sensitive Information punctually.					
4)	Good access implies accessibility soon after results are announced and timely meetings where analyst are given all relevant information and are not misled.					
5)	Company has an English language web-site where results and other announcements are updated promptly (no later than one business day).					

Independence

S.N	Statement	1	2	3	4	5
1)	The chairman is an independent, non-executive director.					
2)	Company has an executive or management committee which is substantially different from members of the					

	board and not believed to be dominated by referrals.					
3)	Company has an audit committee. it is chaired by a perceived genuine independent director.					
4)	Company has a remuneration committee. It is chaired by a perceived genuine independent director					
5)	External auditors of the company are in other respects seen to be completely unrelated to the company					

Accountability

S.N	Statement	1	2	3	4	5
1)	The board members and members of the executive/management committee substantially different. (i.e. no more than half of one committee sits on the other.)					
2)	There are any foreign nationals on the board					
3)	Full board meetings are held at least once a quarter					
4)	Audit committee nominates and conducts a proper review the work of external auditors.					
5)	The audit committee supervises internal audit and accounting procedures.					

Responsibility

S.N	Statement	1	2	3	4	5
1)	There is any corrective action on the decision made by board on their favor at the expense of management.					
2)	Over the past five years, there were open business failures or misbehavior; responsible persons were appropriately and voluntarily punished.					
3)	There is mechanism to allow punishment of the management committee in the event of mismanagement.					
4)	There are mechanisms to allow punishment of the executive/management committee in the event of mismanagement.					
5)	There were any questions over whether the board takes					

	measures to safeguard the interest of all and not just one.					
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Fairness

S.N	Statement	1	2	3	4	5
1)	All the employees have the access to their appraisal record					
2)	Criticism/suggestions methods are easily available to all stake holders / employees					
3)	All necessary information for appraisal criteria are made available prior to evaluation					
4)	It is true that there have been no questions or perceived controversy over whether the company has issued transparency report or not.					
5)	The head of department report to either CEO or board member concerned to employee's equality.					

Social Awareness

S.N	Statement	1	2	3	4	5
1)	Company has a policy/culture that prohibits the employment of the under-aged.					
2)	Company has an explicit equal employment policy.					
3)	Company is explicitly environmentally conscious.					
4)	Company has an explicit (clearly worded) public policy statement that emphasizes strict ethical behavior: i.e. one that looks at the spirit and not just the letter of the law.					
5)	The firm's social awareness initiatives contribute to its overall reputation in the industry					

Firms Reputation

S.N	Statement	1	2	3	4	5
1)	I have a good feeling about this company					
2)	My company recognize and takes advantage of market opportunities					
3)	My company maintains high standards in the way its treats People					

4)	My company looks like with strong prospects for the future growth.					
5)	My company maintains high standards in the way its treats People					

The 5 points Likert scale questions upon dependent and independent variables are based on the article of different authors and writes. Most of the questionnaire are collected from the article of (Bhatta, 2019; Kumaran & Thenmozhi, 2015). Similarly, questionnaire related with firm's reputation are based on the articles of Syangbo (2018) and Bhatta (2018).

Thank you for your Co-operation

Impact of Corporate Governance on Firms Reputation

By: **Nirmala Regmee**

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ABSTRACT The impact between corporate governance and a firm's reputation is profound and intricate. Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It encompasses the relationships among stakeholders, including shareholders, management, board members, employees, customers, suppliers, and the community at large. The major objective of the study is to find out the impact of corporate governance on firm's reputation. To some extent, the specific of the studies are to examine the relationship of corporate governance on firm's reputation, to assess the impact of discipline, transparency, independence, accountability, responsibility, fairness and social awareness on firm's reputation and to examine the relationship of discipline, transparency, independence, accountability, responsibility, fairness and social awareness on firm's reputation. This study adopts a descriptive and causal research design to describe the characteristics of the variables used in this study with a clearly phrased structured questionnaire to communicate with participants and avoid misunderstandings. The sample size of the study is 350 respondents. The convenience sampling method was used to determine the samples.

Descriptive, correlation and regression methods of analysis are used in the study. The data are analyzed by using Statistical Package for Social Science (SPSS). The descriptive statistics include mean, standard deviations; minimum and maximum values of the variables are used to describe the characteristics of respondents. The

study found positive impact of Transparency, Interdependency and Accountability on firm's reputation. Similarly, the study also found positive impact of Fairness, Social Awareness, Discipline and Responsibility on firm's reputation. The study demonstrates that corporate governance is integral to a firm's reputation. The benefits of strong governance extend beyond compliance and risk management, permeating every aspect of stakeholder relationships and financial performance. Firms that adopt and maintain high standards of corporate governance are better equipped to build and sustain a positive reputation, ultimately driving long-term success and stakeholder value. Conversely, lapses in governance can lead to significant reputational damage, underscoring the critical importance of governance in corporate strategy and operations. This analysis reaffirms that robust corporate governance is not merely a regulatory requirement but a strategic asset essential for achieving and maintaining a stellar reputation in the competitive business landscape.